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IN THE

# Supreme Court of the United States

OCTOBER TERM, 1962.

No. 836

CHEMICAL CORPORATION OF AMERICA,
*Petitioner,*

*vs.*

ANHEUSER-BUSCH, INCORPORATED,
*Respondent.*

## PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT.

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## SUBJECT INDEX


| | Page |
|---|---|
| INTRODUCTION | 1 |
| (a) Opinions in courts below | 2 |
| (b) Jurisdiction of this Court | 3 |
| (i) Date of judgment sought to be reviewed | 3 |
| (ii) Date of order respecting Petitioner's Motion for Rehearing and dates respecting other orders | 3 |
| (iii) Statutory provision conferring jurisdiction on this Court | 4 |
| (c) Questions presented for review | 4 |
| Introduction to questions presented | 4 |
| A. Was jurisdiction of the District Court based upon a federal question arising under the Lanham Trademark Act? ANSWER: NO | 8 |
| Subpar. (1)—Allegations of the original petition and disallowed amendment (alleging issuance of federally registered trade slogan four months after this suit filed) and evidence show no jurisdiction under Lanham Act at time this suit filed; criterion of KVOS v. Assoc. Press not satisfied to give federal court diversity jurisdiction; plaintiff had not filed registration of alleged slogan "Where there's life . . . there's Bud" at time suit filed; that Rule 15 and 28 U.S.C. §1653 could not be applied on jurisdictional question | 8 |
| Subpar. (1,a) Court of Appeals overlooked disallowance of attempted amendment by trial court | 11 |
| Subpar. (2)—Said original petition, as amended, shows no question under Lanham Act | |

Page

Original petition complained of infringement of registered words "Bud," "Budweiser" and "Budweiser and design," but it showed on face and evidence and findings of trial judge showed that said words were never used nor "assaulted" by "Wax"; "Beer's" effort to bring case under Lanham Act on account of alleged infringement of these three registered marks was unsubstantial, colorable and a sham 12

Subpar. (3)—"Stauffer case doctrine" unsound; did not give District Court jurisdiction of this case; the Supreme Court must resolve conflict between "Stauffer case doctrine" v. Restricted Federal Jurisdiction [Royal Lace Paper Works v. Pest-Guard Products (Fifth Circuit), contra]; this conflict plagues lower federal courts 14

B. Was jurisdiction of District Court properly based upon diversity of citizenship and amount or value in controversy in excess of $10,000.00? ANSWER: NO 17

Subpar. (1)—Error concerning amount in controversy clear and serious 17

Subpar. (2)—Complete assignment of error containing recitals of pleadings, evidence and findings of fact to illustrate that Supreme Court must choose between theories of criterion to determine "amount or value in controversy" [KVOS and McNutt cases v. Ambassador (3d Cir.) and Admiral Corp. (2d Cir.) cases], and in favor of the rule of the KVOS case, a common law unfair competition case of this Court, which contains correct criterion, which is not fully realized by lower federal courts or the court in this case. Some conflicting federal cases listed 18

Page

Subpar. (3)—"Expert" opinions have no probative value in such case to establish fact that "Beer" damaged, or amount of damage 23

C. Did the Court of Appeals properly decide case on the merits? ANSWER: NO 25

Subpar. (1)—Pleadings and evidence show there could be no confusion, no mistake and no deceit of *purchasers* of Freewax as to source or origin of goods. Supreme Court should determine that no cause of action exists when measured by standard of ordinary purchaser of products of "Beer" and "Wax" 25

Subpar. (2)—The common law of Florida, and of this Court and of many lower federal courts uphold no cause of action based on theories of "free ride" or dilution among non-competitors selling dissimilar goods; said courts adhere to classical standard of "palming off" in unfair competition cases and a different conclusion from that obtained in the lower federal court would result if basic common law questions certified to Florida Supreme Court for instructions or determination 28

Subpar. (3)—Assignment of error pertaining to portion of order enjoining "Wax" from "hereafter issuing any press release, having any interview for any kind of news media or publication or otherwise giving any publicity to this lawsuit" 33

Subpar. (4)—"Wax's" slogan was truthful and condemnation by conclusions of law of Court of Appeals of "Wax's" use of slogan was without authority in law 36

D. Was the Court of Appeals in error in refusing to certify to the Supreme Court of Florida for

Page

final determination of or for instructions concerning the existence or non-existence of the alleged cause of action sued upon in the original complaint, as amended, or as shown by the record in this case, if any, when the trial court freely admitted that no precedent upholding said cause of action existed in the decisions of the appellate courts of Florida, and the opinion of the Circuit Court shows no such precedent really exists?
ANSWER: YES 39

Subpar. (1)—Assignment of error showing Court of Appeals erred in not certifying said questions to Supreme Court of Florida 40

Subpar. (2)—Supreme Court of the United States can and should certify said questions to the Supreme Court of Florida 43

E. "Catch All" assignment of error 45

(d) The Constitutional Provisions, Statutes and Rules of Court which this case involves, with reference to Appendix E for verbatim recital, with respect to three phases of case:

(1) Jurisdiction 45

(2) Merits of alleged cause of action 46

(3) Publicity of the Instant Lawsuit 47

(e) Statement of the case 47

Exhibit I—(Summary of Pleadings)

Exhibit II—(Summary of Evidence)

(f) Rule 23, paragraph 1, subsection (f) of this Court not applicable 50

(g) Basis of federal jurisdiction of first instance 50

(h) Argument amplifying the reasons relied on for the allowance of the writ (IMPORTANT) 53

Page

(i) Statement as to opinions of lower courts 90

(j) Rule 23, paragraph 1, subsection (j), of rules of this Court not applicable 90

PRAYER 90

MANUSCRIPT SIGNATURE OF COUNSEL OF RECORD 91

EXHIBIT I, Summary of Pleadings 1a*

EXHIBIT II, Summary of Evidence 5a

APPENDIX A 35a

1. District Judge's findings of fact and conclusions of law 35a

2. Preliminary injunction of District Judge 46a

3. Order of permanent injunction by District Judge 48a

APPENDIX B—Opinion of United States Court of Appeals for the Fifth Circuit 50a

APPENDIX C—Judgment of United States Court of Appeals 64a

APPENDIX D—Judgment overruling petition for rehearing 66a

APPENDIX E—Constitutional provisions, statutes, and rules of court which this case involves set out verbatim 67a

CERTIFICATE OF SERVICE 81a

TABLE OF CASES vi-xv

TABLE OF TEXTBOOKS AND TREATISES xvi-xvii

TABLE OF STATUTES xviii

*Pages after prayer are numbered consecutively followed by "a" to wit, 1a through 81a.

## TABLE OF CASES


Abramson v. Coro, Inc., 240 F. 2d 854 (CA 5, 1957) ..... 32, 43a

Addison v. Hook, 107 So. 623, 61 Fla. 337 ..... 30

Admiral Corp. v. Penco, Inc., 203 F. 2d 517 (CCA 2, 1953) ..... 23, 56

Ambassador Est., Inc. v. Orsatti, Inc., 257 F. 2d 79 (CCA 3, 1958) ..... 23

America Enka Corp. ex parte, 81 U.S.P.Q. 476, June 1, 1949 ..... 72

American Photographic Pub. Co. v. Ziff-Davis Pub. Co., 135 F. 2d 569 (CCA 7, 1943) ..... 32, 41a

Amoskeag Trading Co. v. Trainer, 101 U. S. 51 ..... 29

Anheuser-Busch, Inc. v. Budweiser Malt Products, 295 Fed. 306 (CCA 2, 1923) ..... 70

Anheuser-Busch, Inc. v. Fred A. Niles Productions, Inc., 126 U.S.P.Q. 466, 51 T.M.R. 75 ..... 2

Armstrong Paint Works v. Nu-Enamel Corp., 305 U.S. 315, 83 L. ed. 195, 59 S. Ct. 191 (1938) ..... 54

Avon Shoe Co. v. David Crystal, Inc., 171 F. Supp. 293, affd. 279 F. 2d 607; cert. den. 364 U.S.909 ..... 83

Beech-nut Co. v. Lorillard, 273 U.S. 629, 71 L. ed. 81, 47 S. Ct. 481 (1927) ..... 53

Benz v. New York, 369 U.S. 147 ..... 13

Best & Co. v. Miller, 167 F. 2d 374 (CCA2) ..... 75

Brown Chem. Co. v. Meyer, 139 U.S. 540 ..... 30

Bulova Watch Co. v. Stoltzberg, 69 F. Supp. 543 (DC Mass., 1947) ..... 5, 27, 32, 43a, 58a

## TABLE OF CASES (Continued)


California Fruit Growers Ex. v. Sunkist Baking Co., 166 F. 2d 971 (CCA 7, 1947) 84

California Oil Co. v. Travaline, 149 F. Supp. 832 (DC Pa.) 22

Calvert Distillers Co. v. Wish, 259 F. 2d 323 (CCA 7, Ill.) 22

Cameron v. Miami Ventilated Awning Mfg. Co., 122 So. 2d 582 31

Canal Co. v. Clark, 13 Wall. 325, 80 U.S. 311, 20 L. ed. 581 29

Chadwick v. Covell, 151 Mass. 190, 193, 23 N.E. 1068 (1890) 37, 72

Chamberlain v. Chamberlain, 115 Fla. 21, 155 So. 136 (1934) 44a

Champion Paper & Fibre Co. v. National Assn. of MIA, 219 F. 2d 525 (1957) 5

Champion Plug Co. v. Sanders, 331 U.S. 125, 91 L. Ed. 1386, 67 S. Ct. 1136 37, 54, 72

Chemical Corp. of America v. Anheuser-Busch, Inc., 306 F. 2d 433, 134 U.S.P.Q. 524 2

Cheney Bros. v. Doris Silk Corp., 35 F. 2d 279 78

Children's Bootery v. Sutker, 107 So. 345, 91 Fla. 60, 44 ALR 698 30

Clay v. Sun Ins. Co., 363 U.S. 207, 4 L. ed. 2d 1170, 80 S. Ct. 1222 39, 43

Coca-Cola Co. v. Nehi Corp., 27 Del. Ch. 318, 36 A. 2d 156 24

Consumer's Co. v. Hydrox Chem. Co., 40 App. DC 284 84

## TABLE OF CASES (Continued)


Consumers Finance Co. v. Consumers Loan Serv., 36 So. 2d 443, 160 Fla. 768 ..... 31

Continental Gas Co. v. Beardsley, 151 F. Supp. 28, modified in other respects 253 F. 2d 702 ..... 79

Cotex Corp. v. Oxtex Corp., 121 N. J. Eq. 377, 187 Atl. 750 ..... 24

Creamette Co. v. Conlon, et al, 191 F. 2d 108 (CCA 5) ..... 60a

Crescent Tool Co. v. Kilborn, 247 Fed. 229 (CCA 2) ..... 62

Dare v. Foy, 180 Iowa 1156, 164 N.W. 179 ..... 73

Del Monte Special Foods Co. v. Cal. Pack. Corp., 34 F. 2d 774 (CCA 9, 1929) ..... 56

Department of Hwys. of La. v. Morse Bros. & Associates, Inc., 211 F. 2d 140 (CCA 5, 1954) ..... 17, 18

Dixie Greyhound Lines v. Elliott, 45 F. Supp. 953 ..... 22

Donnell v. Herring-Hall-Marvin Safe Co., 208 U.S. 267 ..... 30

DuPont Cellophane Co. v. Wax Products Co., 85 F. 2d 75, (CCA 2, 1936), modifying 6 F. Supp. 859 (1934); cert. den. 299 U.S. 601 ..... 89

Elgin Nat'l Watch Co. v. Ill. Watch Co., 179 U.S. 665, 45 L. ed. 365, 21 S. Ct. 270 ..... 30, 72

El Modelo Cigar Mfg. Co. v. Gato, 7 So. 23, 25 Fla. 886 (1890) ..... 29

Erie v. Tompkins, 304 U.S. 64 (1938) ..... 5, 6, 41a

Ex parte America Enka Corp. ..... 72

N. K. Fairbanks Co. v. R. W. Bell Mfg. Co., 77 Fed. 869 ..... 79

## TABLE OF CASES (Continued)


Federal Trade Commission v. Anheuser-Busch, Inc., 363 U.S. 536 ..... 82

Federated Mut. Implement & Hdwe. Ins. Co. v. Steinbeider, 268 F. 2d 734 (CCA 8 Neb.) ..... 22

Firstborn Church of the Living God v. The Firstborn Church of the Living God, 22 So. 2d 452, 156 Fla. 78 ..... 31

Flintcote Co. v. Tizer, 266 F. 2d 849 (CA Pa.) ..... 24

Food Fair Stores, Inc. v. Food Fair, Inc., 177 F. 2d 177 (CCA 1, 1949) ..... 22

General Petroleum Corp. v. Beanblossom, 47 F. ed 826 (CCA 9, Wash. 1931) ..... 23

Glazer v. Hoffman, 16 So. 2d 53, 153 Fla. 809 ..... 30

Goodyear's India Rubber Glove Mfg. Co. v. Goodyear Rubber Co., 128 U.S. 598, 32 L. ed. 535, 9 S. Ct. 166 ..... 30, 73

C. F. Gort Girls Frocks v. Princess Pat Lingerie, 73 F. Supp. 364 ..... 79

Gottdiener v. Joe's Rest. Inc., 149 So. 646 ..... 30

Great Aalantic & Pac. v. A & P Radio Stores, 20 F. Supp. 703 ..... 56

Green v. American Tob. Co., 304 F. 2d 70 (CCA 5, 1962) ..... 39, 43

Hamilton Brown Shoe Co. v. Wolf Bros., 240 U.S. 251 ..... 24

Hanover Star Milling Co. v. Metcalf, 240 U.S. 403 ..... 30

Hanson v. Triangle Publications, Inc., 163 F. 2d 74 (CCA 8, 1947) ..... 56

## TABLE OF CASES (Continued)


Howe Scale Co. v. Wyckoff, Seamans & Benedict, 198 U.S. 118, 49 L. ed. 972, 25 S. Ct. 609 ..... 30, 73

Hyde Park Clothes v. Hyde Park Fashions, 204 F. 2d 223 ..... 4

International Heating Co. v. Oliver Oil Gas Burner & Mach. Co., 288 Fed. 708, cert. den. November 26, 1923, 263 U.S. 714, 44 S. Ct. 135 ..... 73

International News Serv. v. Assoc. Press, 248 U.S. 215, 63 L. ed. 211, 39 S. Ct. 68, 2 ALR 293 ..... 30, 78, 79, 88

James v. Dr. P. Phillips Co., 155 So. 661, 115 Fla. 472 ..... 30

Jewel Tea Co. v. Kraus, 88 F. Supp. 1003 (DC Ill. 1950) ..... 23

S. J. Johnson & Son v. Johnson, 116 F. 2d 427 (CCA 2) ..... 79

Kann v. Diamond Steel, 89 Fed. 706 (CCA 8) ..... 79

Kaplan, et al v. Helenhart Novelty Corp., 182 F. 2d 311 (CCA 2, 1950) ..... 40a

Kellogg Co. v. Natl. Bis. Co., 305 U.S. 111, 122, 83 L. ed. 73, 59 S. Ct. 109, 115 ..... 30, 55, 78

Kent & Sons v. Lorillard & Co., 114 F. Supp. 621, affd. 210 F. 2d 953 ..... 27

Kessler v. Strecker, 307 U.S. 22 ..... 17

KYOS, Inc. v. Assoc. Press, 299 U.S. 269, 81 L. ed. 183, 57 S. Ct. 197 ..... 9, 19, 20, 22, 23, 56, 76, 80

Landerman v. Beyerle, 324 Ill. App. 116, 57 N.E. 2d 518 ..... 75

Larson v. Wrigley, Jr., 277 U.S. 97 ..... 30

Lawrence Mfg. Co. v. Tenn. Mfg. Co., 138 U.S. 537 ..... 30

## TABLE OF CASES (Continued)


Lee-Wilson, Inc. v. Gen. Elec. Co., 222 F. 2d 850 (CCA 1 Mass.) 23

Lucien LeLong v. Landers Co., 164 F. 2d 395 (CCA 2) 75

Magic Foam Sales Corp. v. Mystic Foam Corp., 167 F. 2d 88 (CCA 6, 1948) 41a

Mahler v. Eby, 264 U.S. 32 17

May v. May, 45 So. 2d 494 31

Maytag Co. v. Meadows Mfg. Co. (CCA 9, 1930), 45 F. 2d 299; cert. den. 283 U.S. 843, 75 L. ed 1542, 51 S. Ct. 489 (1931) 24, 75

McGhan v. McGhan, 155 So. 653, 115 Fla. 414 30

McLean v. Fleming, 96 U.S. 245, 24 L. ed 828 27, 29, 79

McNutt v. General Motors Acceptance Corp., 298 U.S. 178, 80 L. ed. 1135, 56 S. Ct. 780 9, 19, 22, 76

Miami Beach Lerner Shops, Inc. v. Walco Mfg. Co. of Fla., Inc., 106 So. 2d 233 31

Miami Bottle Gas v. DR Gas Corp., 183 So. 828, 134 Fla. 309 30

Miami Credit Bureau v. Credit Bureau, Inc., 276 F. 2d 565 (CCA 5 Fla.) 22

Mishawaka Mfg. Co. v. Kresge Co., 316 U.S. 203, 86 L. ed. 1381, 62 S. Ct. 1022 (1942) 54

Moore v. City Dry Cleaners & Ldy., 41 So. 2d 865 36

Morris Corp. v. Hess Bros., Inc., 243 F. 2d 274 (CCA 3, 1957) 23

Moseler Safe Co. v. Ely Norris Safe Co., 273 U.S. 132, 71 L. ed. 578, 47 S. Ct. 314 80

## TABLE OF CASES (Continued)


Nash Kelvinator Corp. v. Fink, 88 U.S.P.Q. 304 (DC SD Cal. 1950) ..... 23

National Comics Publications, Inc. v. Fawcett Publications, Inc., 191 F. 2d 594 ..... 79

National Fruit Prod. Co. v. Dwinell-Wright Co., 47 F. Supp. 499 ..... 78

Near v. Minn., 283 U.S. 697 ..... 36

Northwestern Fuel Co. v. Brock, 139 U.S. 216 ..... 88

Norton v. Whiteside, 239 U.S. 144 ..... 13

Pagliero v. Wallace China Co., 198 F. 2d 339 ..... 79

Jean Patou, Inc. v. Jacqueline Cochran, Inc., 201 F. Supp. 861 ..... 85

Pecheur Lozenge Co., Inc. v. National Candy Co., Inc., 315 U.S. 666 (1942) ..... 40a

Pennzoil Co. v. Crown Central Petroleum Corp., 50 F. Supp. 891; affd. 140 F. 2d 387; cert. den. 322 U.S. 750 ..... 27

Prestonettes, Inc. v. Coty, 264 U.S. 359, 68 L. ed. 731, 44 S. Ct. 350 ..... 72

Pure Foods, Inc. v. Minute Maid Corp., 214 F. 2d 792 (CCA 5, 1954) ..... 27, 32, 43a, 60a

Pure Foods, Inc. v. Sirloin Inc., 84 So. 2d 5 ..... 31

Pure Oil Co. v. Puritan Oil Co., 39 F. Supp. 68, revd. on other grounds, 127 F. 2d 6 (CCA 2) ..... 22

Pyramid Life Ins. Co. v. Masonic Hosp. Assn., 191 F. Supp. 51 (DC Okla) ..... 23

Quality Courts Ltd. v. Jones, 59 So. 2d 20 ..... 31

R.C.A. v. Whiteman, 114 F. 2d 86 ..... 78

Richards Store Co. v. Richards Whse. Sales & Auction Gallery, Inc., 63 So. 2d 502 ..... 31

## TABLE OF CASES (Continued)


G. Ricordi & Co. v. Haendler, 194 F. 2d 914 — 79

Ridley v. Smotherman, 156 So. 605, 116 Fla. 701 — 30

Rimmeir v. Dickson, 78 So. 2d 730 — 31

Royal Lace Paper Works, Inc. v. Pest-Guard Products, 240 F. 2d 814 (CCA 5, 1957) — 6, 15, 40a

Sargent & Co. v. Welco Feed Mfg. Co., 195 F. 2d 929 (CCA Iowa) — 24

Saxlehner v. Eisner & Mendelson, 179 U.S. 19, revg. 91 Fed. 536 — 80

Saxlehner v. Wagner, 216 U.S. 375 — 30

Schechter Corp. v. United States, 295 U.S. 495 — 30

Seagram Distillers Corp. v. New Cut Rate Liquors, Inc., 247 F. 2d 453; cert. den. 355 U.S. 837 — 22

Semco v. McCulloh, 68 So. 2d 577 — 30, 59a

Seven-Up Co. v. Bluenote, Inc., 159 F. Supp. 248, affd. (CCA 7) 260 F. 2d 584; cert. den. (1959) 359 U.S. 966, 3 L. ed. 835, 79 S. Ct. 878 — 9, 19, 22, 56

Shaffer v. Coty, Inc., 183 F. Supp. 662 (DC Cal.) — 22

Sheldon v. Metro Goldwyn Pictures, 309 U.S. 390 — 24

Shulthis c. McDougal, 225 U.S. 561 — 13

Sibbac v. Wilson & Co., 312 U.S. 1 — 17

Simmons Co. v. Southern Spring Bed Co., 173 F. Supp. 111 (D.C.N.C. 1959) — 12a

Singer Mfg. Co. v. June Mfg. Co., 163 U.S. 169 — 24

Snap On Tools Corp. v. Winkenweder & Ladd, Inc., 150 F. Supp. 792, affd. 250 F. 2d 154 (DC Ill. 1956) — 23

## TABLE OF CASES (Continued)


Stagg Shop of Miami, Inc. v. Moss,
120 So. 2d 39 ..... 6, 31, 56a

Standard Paint Co. v. Trinidad Asphalt Co.,
220 U.S. 446, 55 L. ed. 536, 31 S. Ct. 456 ..... 73

Stanley Mfg. Co. v. Art Metalable Corp.,
47 F. 2d 792 ..... 22

Stark Bros. Nurseries v. Stark et al, 255 U.S. 50,
65 L. ed 496, 41 S. Ct. 221 ..... 40a

Stauffer v. Exley, 184 F. 2d 962 ..... 14, 15

Steele v. Bulova Watch Co. (1952), 344 U.S. 280,
97 L. ed. 319, 73 S. Ct. 252 ..... 55

Stewart's Sandwiches, Inc. v. Seward's Cafeteria, Inc.,
60 F. 2d 981 (D.C.S.D.N.Y. 1932) ..... 42a

Stork Rest v. Sahati, 166 F. 2d 348 (CCA Cal.) ..... 23

Sunbeam Corp. v. Richardson, 144 F. Supp. 583
(DC Ky. 1956) ..... 23

Sun Coast, Inc. v. Shupe, 52 So. 2d 805 ..... 31, 42, 59a

Swanson Mfg. Co. v. Feinberg-Henry Mfg. Co.,
147 F. 2d 500 (CCA 2, 1945) ..... 42a

Table Supply Stores v. Home Supply Stores,
155 So. 317, 115 Fla. 188 ..... 30

Tampa Cigar Co., Inc. v. John Walker & Sons,
222 F. 2d 460 (CCA 5, 1955) ..... 27, 31, 43a, 60a

Time, Inc. v. Life Tel. Corp., 123 F. Supp. 470
(DC Minn. 1954) ..... 23, 56

Triangle Publications v. Rohrlich, 167 F. 2d 969 ..... 24, 78

United Merchants & Mfrs. Inc. v. Bromley Fabrics,
Inc., 3 Misc. 2d 179, 148 N.Y.S. 2d 22 ..... 79

United States Tob. Co. v. McGreenery, 144 Fed. 531 ..... 79

## TABLE OF CASES (Continued)


| | |
|---|---|
| Ury v. Mazer Cigar Mfg. Co., 253 Fed. 551 (CCA Mo. 1918) | 23 |
| Ventilated Awning Co. v. Dickson, 67 So. 2d 215 | 31 |
| Waterman Co. v. Modern Pen Co., 235 U.S. 88 | 30 |
| Webb's City v. Bell Bakeries, 226 F. 2d 700 (Fla. 1955) | 6, 56a |
| Wetmore v. Rymer, 169 U.S. 115 | 17 |
| Williamson v. Answer Phone of Jax., Inc., 118 So. 2d 248 | 31 |
| Allen B. Wrisley v. Iowa Soap Co., 122 Fed. 796 (CCA 8) | 79 |
| Yale Mfg. Co. v. Alder (NY), 154 F. 2d 568 | 24 |
| Yellow Cab Co. v. Sachs, 191 Cal. 238, 216 Pac. 33, 28 ALR 105 | 42a |

## TABLE OF TEXTBOOKS AND TREATISES


| | Page |
|---|---|
| 47 A.L.R. 2d 726, Section 5 | 35 |
| 148 A.L.R. 853 | 35 |
| American Jurisprudence | 88 |
| 52 Am. Jur. Trademark | |
| Section 3 | 42a |
| Section 8 | 42a |
| Section 13 | 42a |
| Section 22 | 41a |
| Section 86 | 44a |
| Corpus Juris Secundum 87 C.J.S Trademarks 304 | 44a |
| Callman, *Unfair Competition and Trademarks* (2d ed.), Vol. 4, p. 1914 | 24, 55 |
| Derenberg, *The Problem of Trade Mark Dilution and Anti-Dilution Statutes*, 44 Cal. L. Rev., at 448 (1956) | 81, 85 |
| Derenberg, *Trade-Marks Ante Portas*, 52 Yale L.J. 829, 831 (1943) | 55 |
| Leiman, *The Role of Four*, 57 Colum. L. Rev. 975 (1957) | 55 |
| Lunsford, *Trademark Infringement and Confusion of Source; Need for Supreme Court Action*, 35 Va. L. Rev. 214, 229, 233 (1949) | 55 |
| Middleton, *Some Aspects of Trade Mark Dilution*, 47 T.M. Rep. 1023 (1957) | 85 |
| Middleton, *Some Reflections on Dilution*, 42 T.M. Rep. 175 (1952) | 85 |

## TABLE OF TEXTBOOKS AND TREATISES
## (Continued)


Page

Satterfield, *Is the Bar of the United States Failing in Its Duty to Constructively and Fearlessly Criticize Decisions of our Court?* Ga. Bar J., Vol. XXV, No. 1, August 1962, at p. 7 ..... 57

Schechter, *The Rational Basis of Trademark Protection*, 40 Harv. L. Rev. 813 (1927) ..... 80, 89

Stern, *Denial of Certiorari Despite a conflict*, 66 Harv. L. Rev. 465 (1953) ..... 55

105 U. Pa. L. Rev. 1084 (1957), Note ..... 55

Wolff, *Non-Competing Goods in Trade Mark Law*, 37 Colum. L. Rev. 582 (1937) ..... 81

U. S. Congr. Serv. 1946, pp. 1274-1275 ..... 82

U. S. Code Congr. & Administrative News, *Legislative History and Analysis of Legislation*, Vol. XVII (October 20, 1962), p. 4388 ..... 46

Report of Proposed Amendments to Certain Rules of Civil Procedure for the United States District Court, Judicial Conf. of U. S., September 21, 1962; found in advance sheet 83 S. Ct. No. 7, p. 51 ..... 46

## TABLE OF STATUTES


| FEDERAL STATUTES AND RULES | Page |
|---|---|
| Lanham Trademark Act, Public Law 489, 79th Cong. (Ch. 540, 2d sess., 60 Stat. 427) 15 U.S.C. §1051-1127 is cited throughout the petition, portions of which are set out verbatim on 67a, et. seq. | |
| Portions of Lanham Trademark Act are cited as follows: | |
| 15 U.S.C. §1113 | 73a |
| 15 U.S.C. §1114 | 25, 45, 46, 71, 84, 85, 1a, 73a |
| 15 U.S.C. §1115 | 46 |
| 15 U.S.C. §1117 | 71, 1a |
| 15 U.S.C. §1121 | 45, 52 |
| 15 U.S.C. §1126 | 46 |
| 15 U.S.C. §1127 | 41, 75a |
| Public Law 86-772, 76 Stat. 767, (latest amendment to Lanham Act) | 45, 74a |
| 28 U.S.C. §1254 (1) | 4 |
| 28 U.S.C. §1332 | 18, 45 |
| 28 U.S.C. §1338 | 45, 88 |
| 28 U.S.C. §1653 | 9, 10, 46, 87 |
| 28 U.S.C. §2101 (C) | 4 |
| Supreme Court of United States Rules, 19-27 (Rules for Petition for Certiorari) | 4 |
| Rule 19 (b) | 4, 53 |
| Rule 23 | 1, 45 |
| Fed. Rules Civ. Proc. Rule 15, 28 U.S.C.A. | 9, 10, 46, 87, 69a |
| U. S. Constitutional Amendments: | |
| Amendment I | 34, 47, 80a |
| Amendment V | 34, 47, 80a |
| Amendment XIV §1 | 34, 47, 80a |
| Florida Statute and Rule | 76a |
| Sec. 25.031 Florida Statutes 1959, F.S.A. (1A F.S.A. §25.031) | 46 |
| Rule 4.61, Florida Appellate Rules 1962 Revision, 31 F.S.A. | 47 |
| Ga. Laws 1955, pp. 453, 454 (106 Ga. Code Ann. 115) | 81 |

IN THE

# Supreme Court of the United States

OCTOBER TERM, 1962

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CHEMICAL CORPORATION OF AMERICA,

*Petitioner,*

vs.

ANHEUSER-BUSCH, INCORPORATED,

*Respondent.*

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Case No.

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## PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

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TO THE HONORABLE, THE CHIEF JUSTICE OF THE UNITED STATES, AND THE ASSOCIATE JUSTICES OF THE SUPREME COURT OF THE UNITED STATES:

CHEMICAL CORPORATION OF AMERICA, defendant in the District Court, and appellant in the Fifth Circuit Court of Appeals, naming itself as Petitioner herein, hereinafter referred to as "Wax", files this its Petition for Certiorari to the judgments and decrees of said Circuit Court of Appeals, and said District Court, and names Anheuser-Busch, Incorporated, plaintiff in

the District Court and appellee in said Circuit Court, as Respondent herein, hereinafter referred to as "Beer", and in accordance with Rule 23 of this Court, alleges:

## (a) OPINIONS IN COURTS BELOW

*Chemical Corporation of America vs. Anheuser-Busch, Inc.*, 306 F. 2d 433, 134 U.S.P.Q. 524, a reversal of which is sought by this Petition of Certiorari alleging errors in said opinion and in the overruling of the Motion for Rehearing therein. A copy of said opinion is appended to this petition as Appendix "B", an exhibit to Paragraph (i) hereof, and is found on p. 808 of the transcript.

The District Court made findings of fact (T. 786)[1] and rendered conclusions of law (T. 792) and adopted as its final judgment of March 24, 1961 (T. 798, 768), its original temporary order of July 21, 1960 (T. 9). Said findings of fact and conclusions of law have not been reported in Federal Supplement, but are attached hereto as Appendix "A". An unofficial report of the oral rulings of the District Judge rendered at the preliminary hearing is found in 126 U.S.P.Q. 464, and 51 T.M.R. 72, along with a connected case, entitled *Anheuser-Busch, Incorporated* v. *Fred A. Niles Productions, Inc.*, 126

[1]All references noted in parentheses as "(T. )" denote page of the transcript of the record of the District Court, where matter found up to page 806, nine of which have been filed with this petition, but all pages over 806 refer only to the transcript of the proceedings in the Circuit Court of Appeals for the Fifth Circuit, one of which was filed as required in accordance with rule 21. (In the back of each of the nine District Court transcripts, we have pasted a copy of the Motion for Rehearing made in the Court of Appeals, pp. 823-915 of Court of Appeals Transcript, but because the opinions and judgments of the lower courts are included in this petition in the Appendix, we did not paste them in the back of the said transcripts.)

U.S.P.Q. 466, 51 T.M.R. 75. These same oral pronouncements can be found on pp. 293-297 of the transcript.

## (b) JURISDICTION OF THIS COURT

On July 12, 1960, Respondent filed suit seeking injunction and damages in United States District Court for the Northern District of Florida, Tallahassee Division, for alleged trademark infringements and unfair competition.

(i) Relief granted by the trial court was in the form of permanent injunctions. Damages were denied on the ground that no recompensable damages were incurred. On an appeal from said judgment, the Fifth Circuit Court of Appeals, in Case No. 19,007 therein, styled Chemical Corporation of America, appellant v. Anheuser-Busch, Inc., appellee, affirmed the judgment of the trial court, on August 15, 1962.

(ii) On September 4, 1960, thirty (30) days was granted by order of the Chief Judge of said Circuit Court of Appeals within which to file a motion for rehearing. On September 28, 1962, an order was granted by said Chief Judge giving an additional thirty (30) days therefor, and on November 6, 1962, said Chief Judge passed an order giving an additional five (5) days therefor. Said motion for rehearing was filed on November 10, 1962 (T. 823), and same was denied by order of said court dated November 19, 1962 (T. 916). The judgment of said Circuit Court of Appeals of August 15, 1962 (T. 808), affirming the trial court, and the order of November 19, 1962, denying the motion for rehearing without additional opinion, and various rulings of said Circuit Court of Appeals and said Dis-

trict Court, as set forth in the assignments of error in (c) hereinafter are the basis for this petition. The mandate of said Circuit Court of Appeals has been stayed pending the filing of this Petition for Certiorari by orders of said court dated December 3, 1962, staying same until February 1, 1963, and on February 5, 1963, staying same through February 17, 1963, and until this petition is finally disposed of by this Court. This Petition for Certiorari has been filed and served, in accordance with the rules of this Court, within the ninety (90) day period provided by U. S. C. Title 28, §2101 (c), i.e. from November 19, 1962.

(iii) Jurisdiction to review this case by writ of certiorari is granted in 28 U. S. C., §1254 (1), and Rules 19 through 27 of this Court.

## (c) QUESTIONS PRESENTED FOR REVIEW

Each reason for granting this Petition for Certiorari, as illustrated in Rule 19 (b) of this Court is amply shown by the assignments of error presented for review in this subsection. In addition, while the following two reasons might be classified under the third, fourth or fifth of said 19 (b) reasons, we pin-point as express additional reasons (1) that winning or losing one of these cases has now become a gamble; depending on the chance as to which three judges in the Court of Appeals have been assigned the case for oral argument, opinion and decision, because of the divergent views of Judges within the same circuit and on the same bench, a fact of which Clark J. in *Hyde Park Clothes* v. *Hyde Park Fashions*, 204 F. 2d 223, at 226, took judicial notice, when he said: "The chance of the assignment calendar which has so operated against Petitioner might easily have brought it

success, to judge by the three most recent cases on this issue before us . . ." (citing cases). The question in said cases involved jurisdiction of federal courts over the common law action of unfair competition under the Lanham Act, and whether confusion resulting in passing off was an essential part of said action at common law or under said Act, and whether relief could be given under the dilution theory without evidence of confusion as to source, and (2) that in this very case the District Court, not finding any Florida precedents upholding the doctrine of dilution, based its decision in the main (T. 796) on *Bulova Watch Co., Inc.* v. *Stoltzberg*, 69 F. Supp. 543 (DC Mass. 1947), an unfair competition case decided according to the *federal common law*, District Judge Sweeney stating in his opinion as his reason "There is a strong policy in favor of interstate uniformity in the field of unfair competition." The District Court in this case upheld the doctrine of dilution and the "free ride" cases while disregarding the many federal circuits disapproving said causes of action; and also based his conclusions of law in part on Lanham Act cases, in spite of his recognition that this case should be decided under *Erie* v. *Tompkins*, 304 U. S. 64, by the state common law of Florida (T. 793), a procedure whereby chance again influenced the final judgment in this case, because, when he ruled he would refer to federal and other cases to find the Florida common law, he could have referred to many varieties of federal lower court cases holding to the contrary of the Stoltzberg case, i.e. *Champion Paper & Fibre Co.* v. *Nat'l. Assn. of MIA*, 249 F. 2d 525 (1957), said contrary cases requiring competition, passing off and customer confusion inherent therein, and damage from loss of or probable loss

of sales, and could even have found said contrary cases in the Fifth Circuit, i.e. *Webb's City* v. *Bell Bakeries*, 226 F. 2d 700, (Fla. 1955) (written by the same Judge who wrote the instant Court of Appeals opinion, and differentiated by him solely as a case involving competitors, and not non-competitors, as does the instant case), or could have found Florida cases to the contrary, i.e. *Stagg Shop* v. *Moss*, 120 So. 2d 39, and other Florida cases considered on pp. 870 et seq. of transcript, or 28 et seq. of the Motion for Rehearing in the Court of Appeals. The Court of Appeals' opinion pays only lip service to *Erie* v. *Tompkins*, supra, or to the Florida cases themselves, for upon analysis, this Court will see that it decided this case on either (a) federal common law found in other federal cases (which type of law does not exist under *Erie* v. *Tompkins*, supra), or (b) federal statutory law based upon a construction of unfair competition as contemplated in the Lanham Act. [Either of said bases for decision is contrary to the Fifth Circuit case of *Royal Lace Paper Works, Inc.* v. *Pest-Guard Products*, 240 F. 2d 814 (CA 5 1957), unless federal jurisdiction is firmly based upon a plaintiff with a properly registered trademark or trade name.] Admittedly, neither court found a Florida precedent upholding the cause of action for dilution or based upon the "free ride" theory as a common law action, and the Circuit Court refused Petitioner's motion to refer the case to the Florida Supreme Court for determination of the relevant common law cause or causes of action, if any, of said state. (See T. 905 et seq. for ground in Motion for Rehearing urging such determination by the Florida Supreme Court.) We respectfully submit that subsection (h) hereof and Exhibits "I" and "II" attached to this

petition, are practically essential in understanding the errors assigned upon the following rulings, presenting the following questions for review:

## A. WAS JURISDICTION OF THE DISTRICT COURT BASED UPON A FEDERAL QUESTION ARISING FROM THE ASSERTION OF A RIGHT BY "BEER" UNDER THE LANHAM TRADEMARK ACT?

(1) That it was error for the Court of Appeals to rule that it had jurisdiction of the subject matter of this case (T. 820) on the ground that the petition had been amended to set up a federal registration in favor of "Beer" of the trade slogan "Where there's life . . . there's Bud" under the Lanham Act, which registration was issued approximately four months after the commencement of said suit, to wit, on October 4, 1960, pursuant to an application therefor filed on August 1, 1960, each of which application and registration occurred after the filing of the petition in this case on July 12, 1960; that at the time of the final trial, said registration was introduced in evidence over the objection of "Wax"; that said amendment was tendered by "Beer" at the final trial, but disallowed by the court, and at said time said registration was introduced in evidence over objection of "Wax," and at all times thereafter during the pendency of this case, there was in the record no proper pleading or evidence to show a proper jurisdiction at the time said suit was filed based on diversity of citizenship and an amount or value in controversy, in that not only were the allegations in the petition and the proof in the evidence defective in showing jurisdiction based upon diversity of citizenship and amount or value in controversy, but also said evidence showed that there could be no recovery of an amount or value in controversy sufficient to sustain federal jurisdiction, in that the evidence failed to show the amount or value of the damage to the alleged

good will of "Beer" on account of the use by "Wax" of said alleged slogan "Where there's life, there's Bugs," as required by the ruling of this Court in *KVOS v. Assoc. Press*, 299 U. S. 269, *McNutt v. General Motors Acceptance Corp.*, 298 U. S. 178, and the Seventh Circuit 1958 case of *Seven-Up v. Blue Note, Inc.*, 159 F. Supp. 248, affd. 260 F. 2d 584; cert. denied (1959) 359 U.S. 966,[2] but also because the evidence discloses affirmatively that a recovery in such amount was impossible under the pleadings and evidence in this case; that, as a result of said defective state of the pleadings and the evidence with respect to said alleged jurisdiction by virtue of diversity of citizenship at the time of the final judgment in the District Court, said allegations with respect to diversity of citizenship in the petition in this case were incurably defective and not amendable, because there is no evidence in the record upon which to base allegations of fact in an amendment supporting diversity of citizenship and amount or value in controversy, to be filed either in the District Court; the Circuit Court of Appeals or this Court; that an amendment alleging said registration approximately four months after the filing of said petition could not be tacked onto a federal jurisdiction, i.e. diversity of citizenship, which was so incurably defective at the time of the filing of said complaint; that Rule 15 of the Federal Rules of Civil Procedure, and Code Section 28 U.S.C. §1653 do not authorize the filing of an amendment setting forth facts which would give jurisdiction of a cause of action under the Lanham Act to the District Court, based on a federal question

[2]A well drawn certiorari attacking the application of KVOS and McNutt cases to unfair competition cases involving diversity of citizenship, as the instant case, a denial of the Seven-Up Petition for Certiorari affirms the position of "Wax."

arising under the Lanham Act, where the facts upon which said amendment was based were not in existence at the time the original complaint was filed; that said Rule 15 and said Code Section 28 U.S.C. §1653 should be properly construed by this Court to permit amendments to correct defective allegations of jurisdiction, both in the trial and appellate courts, which the record shows were in existence at the time the complaint was filed; that to construe said Rule 15 and said Code Section 28 U.S.C. §1653 to permit the filing of an amendment, or a supplemental pleading, which included facts constituting a cause of action arising after the time of filing the original complaint, in such a case as the instant case, would permit the plaintiff not only to change the cause of action, but also for the first time to allege jurisdiction in the federal court, concerning which said plaintiff had failed in the original suit filed, and would place upon the defendant the added burden of preparing a case for trial not only under the common law of Florida, as was originally its duty, but also under a federal statute, which is construed in accordance with federal rules of law expressly and by implication set forth in the federal statute itself, and would subject district courts and defendants therein in many cases to unusual delay in obtaining final judgment in said courts, because the trial thereof would be delayed to await the issuance of an application for a federal trademark under the Lanham Act filed before or pending said suit; that Petitioner did not use the procedure of a supplemental petition in order to set up said after acquired registration, but used the procedure of an amendment, which necessarily can include only facts in existence at the time of the filing of the suit, because of the provisions for relation back in Rule 15 and in the very nature of an amendment; that the error

herein assigned has never been considered or determined by this Court, but is an extremely important issue of law which will govern, add to and delay the exercise of jurisdiction in the lower federal courts, if this Court decides that such an amendment setting up said after acquired registration was authorized in law; that various components of this assignment of error concerning jurisdiction of the subject matter by virtue of said alleged amendment or by virtue of an alleged federal question other than questions of jurisdiction based upon diversity of citizenship will be set forth in the subparagraphs hereunder.

(1, a) That the record in this case shows that the Court of Appeals was in error when it stated (T. 820) that said Lanham Act registration of said slogan was obtained approximately a month before the trial on the merits on the temporary injunction, said court overlooking that the hearing on the temporary injunction had terminated in an order dated July 21, 1960 (T. 9), whereas the registration of said trade slogan was issued October 4, 1960, and when it stated (T. 82) "The suit having been amended to allege the registration under the Lanham Act . . ." because the amendment alleging same was disallowed by the trial court (T. 762) although said slogan was admitted in evidence over objection as Plaintiff's Exhibit No. 40 (T. 399, 402, 419, 763); that the disallowance of said amendment, overlooked by the Court of Appeals, shows that there is no allegation in the original petition, as amended, reciting facts showing "Beer's" rights under the Lanham Act, thereby raising a federal question and giving federal jurisdiction distinct from the originally defective jurisdiction based upon diversity of citizenship.

(2) That it was error for the Circuit Court of Appeals to rule that jurisdiction under the Lanham Act existed in this case under the allegations of the original complaint; that in ruling that jurisdiction existed in this case under the Lanham Act, the Circuit Court of Appeals did not make it clear upon what its ruling was based, thereby placing upon "Wax" the duty to show that there was no legal ground whatsoever upon which jurisdiction under the Lanham Act could be based, under the allegations of the original complaint as well as said amendment; that its action in affirming said amendment setting up said registered slogan obtained four months after said complaint was filed, necessarily implied that the original complaint had alleged therein proper grounds of federal jurisdiction; that there was in the original complaint, allegation of rights of "Beer" based upon its registered trademarks "Bud," "Budweiser," or "Budweiser and design," an alleged infringement of which was pleaded in the original complaint along with an alleged infringement of its common law slogans "Where there's life . . . there's Bud," and "Where there's life . . . there's Budweiser"; that said ruling was in error in that the alleged contention of "Beer" in the original complaint that there was an alleged infringement of said trademarks "Bud" and "Budweiser," which had been registered under the Lanham Act (T. 14, 61), by the use by "Wax" of the slogan "Where there's life, there's Bugs," was a plainly unsubstantial, colorable and a sham effort to give to said District Court jurisdiction under the Lanham Act; that the allegations of said petition show on its face that the words "Bud" or "Budweiser" were never used by "Wax" in its slogan or otherwise; that the record discloses that no evidence was ever introduced that "Wax" ever used the words "Bud," "Budweiser" or

"Budweiser and design"; that the trial court found as a fact and ruled that "Wax" did not use the words "Bud" or "Budweiser," and that the use of the slogan "Where there's life, there's Bugs" was not an infringement of those trademarks and that said marks were never assaulted by "Wax" (T. 792, 793); that while he did not expressly find that said allegations concerning the registration of said words "Bud," "Budweiser," or "Budweiser and design," were unsubstantial, merely colorable and a sham, and pleaded purely for the purpose of attempting to assert jurisdiction under the Lanham Act, nevertheless, the effect of the ruling by the District Court was that said pleading of said trademarks was plainly unsubstantial, colorable and a sham, and for said purpose, because the trial court found that there was not any basis in the original complaint for a cause of action under the Lanham Act, and there was no jurisdiction in the District Court on the basis of a federal question, and that the only jurisdiction that existed was jurisdiction based upon diversity of citizenship under 28 U.S.C. §2331; and that the Circuit Court, in its opinion, never mentioned this contention, but ignored same throughout its opinion, and considered and found that the only infringement, if any, was the infringement of "Beer's" slogans in their entirety, i.e. "Where there's life . . . there's Bud," and "Where there's life . . . there's Budweiser" by the use by "Wax" of its slogan in connection with its sale of Freewax, "Where there's life, there's Bugs." *Accord, Shulthis v. McDougal*, 225 U. S. 561; *Norton v. Whiteside*, 239 U.S. 144 (1) at 153; *Benz v. New York*, 369 U. S. 147, to the effect that a federal question must be substantial, not colorable, or a sham, in order to give a federal court jurisdiction thereof.

(3) That it was error for the Court of Appeals to rule that jurisdiction under the Lanham Act existed in this case under the allegations of the original complaint; that in ruling that jurisdiction existed in this case under the Lanham Act, the Circuit Court of Appeals did not make it clear upon what its ruling was based, thereby placing upon "Wax" the duty to show that there was no legal ground whatsoever upon which jurisdiction under the Lanham Act could be based under the allegations of the original complaint as well as said amendment; that its action in affirming said amendment setting up said registered slogan four months after said complaint was filed, necessarily implied that the original complaint had alleged therein proper grounds of federal jurisdiction; that the original complaint purported to allege a common law cause of action based upon an alleged infringement of a common law trademark, used in connection with sales by petitioner of its products in interstate commerce, which could be held to be sufficient to bring plaintiff's case under federal jurisdiction under the Lanham Act under the ruling in the Ninth Circuit case of *Stauffer v. Exley*, 184 F. 2d 962, and many cases following same; that the broad language of "Beer's" original complaint that "This is a suit arising under the trademark laws of the United States" (T. 2) must be construed to include by implication, at least, the contention that jurisdiction exists in the federal court on account of and by virtue of any of the allegations of the petition; that in the statement of evidence (Exhibit 2) it is admitted that each party hereto is engaged in interstate commerce; that counsel for "Beer," in his preliminary statement in the trial court, contended for jurisdiction under the Stauffer case, although he did not expressly mention same by name, when he stated: "The 9th Circuit Court of Ap-

peals says there is a federal rule of unfair competition It is granted there are two other circuits that are in conflict on it." (T. 62, 63); that the Stauffer case opens wide to the federal courts jurisdiction of alleged unfair competition cases except those strictly applying to intrastate commerce which does not affect interstate commerce; that the 5th Circuit in *Royal Lace Paper Works, Inc. v. Pest-Guard Products*, 240 F. 2d 814, has rejected the doctrine of the Stauffer case, and requires that the complainant must be the owner or licensee of a trademark or trade name registered under the Lanham Act, or prior federal trademark acts, and using same in interstate commerce, at the time the suit is brought; that the Circuit Court in this case appears to have followed the Stauffer case precedent in holding that the original complaint was amendable to allege a registration acquired four months after the filing of the suit, because said amendment was not allowable unless the original petition contained originally a valid ground of federal jurisdiction (see assignment of error 1, supra); that the only possibility of a valid ground of federal jurisdiction in this case as of the date of the filing of the original complaint must be found in the ruling of *Stauffer v. Exley*, supra; that it is the intention of Petitioner herein to submit to this Court the question that the case of *Stauffer v. Exley*, supra, and all cases following its said principles concerning federal jurisdiction, are contrary to law, and that the ruling in *Royal Lace Paper Works, Inc. v. Pest-Guard Products*, supra, is sound and proper law with respect to the question of federal jurisdiction ruled therein; that the contrary rulings of the various circuits saying this question of jurisdiction should be determined by this Court in accordance with the ruling of *Royal Lace Paper Works, Inc. v. Pest-Guard Products*, supra, i.e. that a

plaintiff must allege an infringement of a federally registered trademark being used in interstate commerce by the owner or licensee thereof.

## B. WAS JURISDICTION OF THE DISTRICT COURT PROPERLY BASED UPON 28 U.S.C., § 1332, i.e. DIVERSITY OF CITIZENSHIP AND AMOUNT OR VALUE IN CONTROVERSY IN EXCESS OF $10,000.00?

(1) That the Circuit Court was in error in not reviewing the question of its and the District Court's jurisdiction of the subject matter in this case, as made in the Motion for Rehearing (T.844), for "in equity cases, which come up on appeal, and where the evidence on which the court below acted is presented here, the action of that court can be readily reviewed," and "the trial court is not bound by the pleadings of the parties." *Wetmore v. Rymer*, 169 U.S. 115, 120, and for the further reason that where the error of the trial judge and the Court of Appeals was clear and serious, there is a duty on the appellate court to consider the alleged error and correct same, even though error had not been assigned thereon in either court. *Accord, Sibbac v. Wilson & Co.*, 312 U.S. 1; *Mahler v. Eby*, 264 U.S. 32, at 45; *Kessler v. Strecker*, 307 U.S. 22, at 34; *Department of Hwys. of La. v. Morse Bros. & Associates, Inc.*, 211 F. 2d 140 (CCA 5, 1954); that at the end of the evidence, a Motion to Dismiss was made by "Wax" in the District Court (T.200) and said motion was peremptorily denied, without being given consideration or time for argument; that demand was made upon the Circuit Court to review the matter of the jurisdiction of the District Court and its jurisdiction (T.844 et seq.); but the motion with respect thereto was overruled; that the duty to correct said clear and serious error exists by this Court, even *sua sponte*, whether argued or urged by the parties or not, upon the basis of the record before this

Court, and notwithstanding any purported admission in the pleadings of the defendant that "The matter in controversy exceeds exclusive of interest and costs in the sum of Ten Thousand Dollars ($10,000.00)." (T. 328). *Accord, Department of Hwys. of La. v. Morse Bros. & Associates,* supra; that said purported admission is not an admission of *facts* showing that the amount or value in controversy is in excess of $10,000.00, but is an admission of a legal conclusion of law, which the petition of "Beer" shows affirmatively and factually is untrue, and which the record discloses is not only without evidence to support the proof of a sufficient amount or value in controversy, but affirmatively discloses no such amount or value could be recovered under the pleadings and evidence; that no effort by "Beer" has been made to amend its allegations as to diversity of citizenship in the District or the Circuit Court, and none can be successfully made in this Court because there is no evidence in the record upon which to base such an amendment.

(2) That it was error for the trial court (T.793) and said Circuit Court of Appeals (T.820) to rule that the trial court had jurisdiction under 28 U.S.C. §1332, by reason of diversity of citizenship and amount or value in controversy in excess of $10,000.00, in that under the pleadings and the evidence there are no facts proven that this case involved damages (or profits) in excess of $10,000.00, in that the petition in this case seeks an injunction (T.6) and all damages (T.7, 226, 345), i.e. "all damages because it knowingly infringed upon plaintiff's slogan and trademark" (T.345) by the use of the slogan "Where there's life, there's Bugs" (T.5), which, it alleges in its petition, "is calculated and likely to and will dilute the good will created by plaintiff for its prod-

ucts as a result of plaintiff's slogan and trademark, and said continued use will impair the distinctiveness of said slogan and trademark as an identification of origin with plaintiff," and "is likely to and will have the effect of diluting, degrading, and disparaging the products of plaintiff and will destroy the advertising theme and promotional efforts which plaintiff has built up over the years with the public as an identifying slogan and trade mark for plaintiff's product" (T.5), the essence of which, "Wax" contends, means the injury or damage to that portion of the good will of the beer company created by advertising or using the two slogans "Where there's life . . . there's Bud" and "Where there's life . . . there's Budweiser," and includes the alleged "free ride" theory, wherein "Wax" would be liable for converting said slogans to its own use; that where a business is threatened with damage, by the acts sought to be enjoined, it is the damage threatened to a business, by the acts sought to be enjoined, and not the value of the business or its good will, that constitutes the value in controversy. *KVOS v. Assoc. Press*, 299 U.S. 269; *McNutt v. General Motors Acceptance Corp.*, 298 U.S. 178; *Seven-Up v. Blue Note, Inc.*, supra, that the mere allegation in the form of a legal conclusion that "the matter in controversy exceeds, exclusive of interest and costs, the sum of Ten Thousand Dollars ($10,000.00)," is not sufficient to give jurisdiction to a federal court where the record affirmatively discloses that there is no evidence showing the amount of damage to the beer company's right to do business, i.e. its good will (or damage to the portion of its good will attributable to the use of said slogans which under the evidence is not shown), free and clear of the use by the wax company of the slogan "Where there's life, there's Bugs" as com-

pared with its right to do business co-existent with the use by "Wax" of its said slogan, or of the loss of profits or damages resulting from said user, it being admitted by "Beer" that "Wax" is not in competition with it; that evidence of the magnitude of "Beer's" operations and expenditures in advertising campaigns, in which said slogans were used, are irrelevant and without probative value to establish the right for which protection in the form of injunction and damages was sought in the instant case, *KVOS v. Assoc. Press*, 299 U.S. at p. 280; that dollar or value evidence in this case consisted solely of showing the amount invested or spent annually for advertising during a forty million dollar advertising campaign from 1956 to date, during which the net sales of "Beer" increased from 214 million dollars to 295 million dollars annually (T.86, 106); that this campaign was carried on by radio, television, newspapers, Sunday supplements, magazines, road posters, bulletins, point of sale bulletins and posters (T.79) through the agency of a national advertising company (T.80); that "Beer's" slogans were sometimes printed on the 6-pack carriers, used to enable the customer to carry six cans of beer home from the retail outlet (T.82); that "Beer" spent approximately nine million dollars on said 6-pack carriers (T.82); that said slogan was printed by its postage machine on every piece of mail to wholesalers, retailers and its own personnel in the field (T.84) on envelopes costing $75,000.00 (T.83); that of the millions of dollars spent in 1957, 1958, 1959 and 1960, a minimum of eighty-five (85%) per cent was used on advertisements containing said slogans (T.123); various newspaper picture ads containing said slogans were copyrighted (T.135-139); that television films and radio tapes or

records of "Beer" radio or T.V. commercials using its slogan in their background were never shown to the court or introduced in evidence, although a worded transcript of some of said commercials were introduced in evidence (T. 109); that a testing agency determined through the use of its polling methods, using 2,500 people throughout the United States as those tested, that approximately thirty-five (35%) per cent of the people would fill in the blank in the phrase "Where there's life, there's _____" with the words "Bud" or "Budweiser" (T. 503), and approximately twelve (12%) per cent of the people filled in the blank with "hope" or "Bob Hope" (T.516); that five (5%) per cent of the people incorrectly identified it with another brand or product (T.517), and the remainder did not fill in the blank at all; that the various witnesses for "Beer," who were engaged in the advertising business or in some manner associated with it, testified the use of the slogan "Where there's life, there's Bug" would have an adverse effect on the good will of "Beer's" business, but no effort was made to measure it in dollars (T.89, 142, 143, 158, 282, 542); that one or two of said witnesses stated that such user would destroy the benefits of said advertising campaign (T.89), or destroy entirely the good will of plaintiff (T.143), in spite of the fact that the overall sales had increased from 214 million dollars to 295 million dollars during said campaign since 1956 (T.73, 86), or destroy the impression and image which has been built up for Budweiser (T.282), or would cause immediate and irreparable damage (T.525), or can be very or materially damaging (T.542, 543); that the trial judge found that "no recompensable damages were incurred by plaintiff" (T.791), and that

the only damage to "Beer" found by the trial court was as to the "value and effectiveness of the plaintiff's prior advertising" (T.791); that Petitioner herein contends that the use of the trade slogan "Where there's life . . . there's Bugs" does not attempt to prevent "Beer" from conducting its business, and that the object or right to be protected in this case is the right to do business free of the user by "Wax" of the slogan "Where there's life . . . there's Bugs," which can only be measured by the monetary loss to "Beer," if any, which would follow from the user of said slogan by "Wax," and that the extent or value of its overall investment in said slogans or its business, or the amount of said sales is immaterial and irrelevant to show the amount or value in controversy, and that similar evidence has been turned down on the ground that same is immaterial and irrelevant upon the issue of the value of the right for which protection is here sought. *Accord, KVOS, Inc. v. Assoc. Press*, 299 U.S. 269; *McNutt v. General Motors Acceptance Corp.*, 298 U.S. 178; *Seven-Up Co. v. Bluenote, Inc.*, 159 F. Supp. 248, affd. 260 F. 2d 584, cert. den. 359 U.S. 966, *Stanley Mfg. Co. v. Art Metalable Corp.*, 47 F. 2d 792; *Pure Oil Co. v. Puritan Oil Co.*, 39 F. Supp. 68, revd. on other grounds, 127 F. 2d 6 (CA 2d); *Dixie Greyhound Lines v. Elliott*, 45 F. Supp. 953; *Calvert Distillers Co. v. Wish*, 259 F. 2d 323 (CA 7 Ill.); *California Oil Co. v. Travaline*, 147 F. Supp. 832 (DC Pa.); *Seagram-Distillers Corp. v. New Cut Rate Liquors, Inc.*, 247 F. 2d 453, cert. den. 355 U.S. 837; *Food Fair Stores, Inc. v. Food Fair, Inc.*, 177 F. 2d 177 (1 Cir. 1949); *Miami Credit Bureau v. Credit Bureau, Inc.*, 276 F. 2d 565 (CA 5 Fla.); *Shaffer v. Coty, Inc.*, 183 F. Supp. 662 (DC Cal.); *Federated Mut. Implement & Hdwe. Ins. Co. v. Stein-*

*beider*, 268 F. 2d 734 (CA 8 Neb.); *Lee-Wilson, Inc. v. General Elec. Co.*, 222 F. 2d 850 (CA 1 Mass.), that amount in controversy is neither the value of property or of right sought to be protected, nor the amount spent in advertising a trade name or invested in same.

*Contra*, *Sunbeam Corp. v. Richardson*, 144 F. Supp. 583 (DC Ky. 1956); *Morris Corp. v. Hess Bros., Inc.*, 243 F. 2d 274 (3d Cir. 1957); *Ambassador Est., Inc. v. Orsatti, Inc.*, 257 F. 2d 79 (3 Cir. 1958); *Admiral Corp. v. Penco, Inc.*, 203 F. 2d 517, 520 (2 Cir. 1953); *Time, Inc. v. Life Tel. Corp.*, 123 F. Supp. 470 (DC Minn. 1954) (amount in controversy equal to amount invested in trademark, which is theory used by plaintiff here); *Jewel Tea Co. v. Kraus*, 88 F. Supp. 100 (DC Ill. 1950); *Nash Kelvinator Corp. v. Fink*, 88 U.S.P.Q. 304 (DC SD Cal. 1950); *Stork Restaurant v. Sahati*, 166 F. 2d 348 (CCA Cal.); *Ury v. Mazer Cigar Mfg. Co.*, 253 Fed. 551 (CA Mo. 1918); *General Petroleum Corp. v. BeanBlossom*, 47 F. 2d 826 (CA 9 Wash. 1931); *Pyramid Life Ins. Co. v. Masonic Hosp. Assoc.*, 191 F. Supp. 51 (DC Okla.); *Snap On Tools Corp. v. Winkenweder & Ladd, Inc.*, 150 F. Supp. 792, affd. 250 F. 2d 154 (DC Ill. 1956); that this Court must choose between these different theories as to amount or value in controversy in trademark cases (see T.861 as to this issue in Motion for Rehearing in Court of Appeals). If *KVOS, Inc. v. Assoc. Press*, 299 U.S. 269, is the law, there is no diversity jurisdiction in this case. Certainly, there are no facts alleged upon which to base an amendment following *KVOS, Inc. v. Assoc. Press*, supra.

(3) That it was error for the trial court and the Court of Appeals to give any probative value to the

opinions of said various "expert" witnesses as to damage to the good will of "Beer's" business in that same are conclusions, without probative value, particularly in view of the fact that witnesses for "Wax" contradicted this opinion testimony (T.216), and in addition in view of the fact that the sales of "Beer" continued to increase annually by millions. *Singer Mfg. Co. v. June Mfg. Co.*, 163 U.S. 169, 178; *Hamilton Brown Shoe Co. v. Wolf Bros.*, 240 U.S. 251; *Sheldon v. Metro Goldwyn Pictures*, 309 U.S. 390 (involving special provision in copyright and patent law); *Triangle Publications v. Rohrlich*, 167 F. 2d at 977, 978; Callman, *Unfair Competition and Trade Marks*, pp. 1278-79; *Yale Mfg. Co. v. Alder* (NY), 154 F. 2d 568; *Coca-Cola Co. v. Nehi Corp.*, 27 Del. Ch. 318, 36A. 2d 156; *Cotex Corp. v. Otex Corp.*, 121 N.J. Eq. 377, 187 Atl. 750; *Flintcote Co. v. Tizer*, 266 F. 2d 849 (CA Pa.); *Sargent & Co. v. Welco Feed Mfg. Co.*, 195 F. 2d 929 (CA Iowa); *Maytag Co. v. Meadows Mfg. Co.*, 45 F. 2d 299 (CCA 9, 1930); cert. den. 283 U.S. 843.

## C. DID THE CIRCUIT COURT OF APPEALS PROPERLY DECIDE THIS CASE ON THE MERITS?

(1) That, assuming jurisdiction under the Lanham Act to exist, there can be no recovery, either in equity or at law, by "Beer" against "Wax", under the provisions of Title 15, §1114(1) because the trade slogan of "Wax", "Where there's life, there's Bugs" was not such a colorable imitation of the registered slogan of "Beer", "Where there's life . . . there's Bud", used by "Wax" in advertising its product FREEWAX, an insecticidal floor wax, which such use by "Wax" is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods; that under said quoted portion of Section 1114(1), "Beer" must carry the burden as to whether the use of "Where there's life, there's Bugs" will deceive or confuse purchasers, or make them make a mistake as to the source of origin of said Freewax; that under the evidence and findings of fact by the trial judge there is no competition between "Wax" and "Beer", and the only proof of confusion[3] was that the two businesses draw from the same class of customers in that each product is sometimes sold in the same supermarket; that no substantial number of purchasers were introduced as witnesses to prove any confusion, mistake or deceit; that the advertising of "Wax" was compared with the T.V. advertising of "Beer" by the trial judge and found to be similar without the trial judge ever having seen the T.V. films of "Beer" so that he could make said comparison, thereby rendering his finding clearly erroneous; that the cans of "Wax" have

[3] See pp. 60-63 infra, as to evidence of lack of confusion in this case.

thereon printed in outstanding red letters on a green painted background of its wax can, in no manner resembling a beer can, the manufacturer and its address, i.e. the wax corporation, Petitioner herein; that the word "Bugs" is stated so many times by the announcer in the T.V. film that it could not possibly be confused with the word "Bud"; that, as a matter of law, no passing off of the merchandise of "Wax" as the merchandise of "Beer" is contemplated or could take place, as is required even by said statutory provision, which requires "purchaser confusion", which is material or relevant only in unfair competition cases involving passing off of one competitor's goods by another competitor through unfair competition; that there is no express provision in the Lanham Act incorporating a cause of action based upon the doctrine of dilution of a trademark by a non-competitor, or of unjust enrichment legalizing the doctrine of the "free ride" theory; that where the merchandise of the parties involved is so foreign and different from each other, as was true in this case, it should be ruled that as a matter of law there is neither confusion, mistake or deceit upon a purchaser; that the Lanham Act was amended October 9, 1962 (Laws of 87th Congress, Public Law 87-772; 76 Stat. 769) and the word "purchaser" was deleted from the statutory definition of "colorable imitation" as defined in Title 15, Section 1127; that said amendment was enacted after the facts in this case arose, leaving the proof of whether said alleged colorable imitation was likely to cause confusion or mistake or to deceive purchasers a matter of proof by the ordinary rules of evidence; that the test of trademark infringement is whether an ordinarily prudent purchaser would be liable to purchase one product in

the belief that he was purchasing another product, as laid down by this Court in *McLean v. Fleming*, 96 U.S. 245, 251; that only occasional cases of confusion or thoughtless errors by very inattentive purchasers are of very little significance in trademark and unfair competition cases, *Pennzoil Co. v. Crown Central Petroleum Corp.*, 50 F. Supp. 891, affd. 140 F. 2d 387, cert. den. 322 U.S. 750; that a manufacturer making brushes, sold under the tradename "Kent", was not entitled to enjoin a manufacturer of cigarettes sold under the name "Kent" because there was no confusion, mistake or deceit, *Kent & Sons v. Lorillard & Co.*, 114 F. Supp. 621, affd. 210 F. 2d 953, although each of said pieces of merchandise be sold at the same retail outlet; that the federal cases, *Tampa Cigar Co. Inc. v. John Walker & Sons*, 222 F. 2d 460; *Pure Foods Inc. v. Minute Maid Corp.*, 214 F. 2d 792; *Bulova Watch Co. v. Stoltzberg*, 69 F. Supp. 543, are in conflict with said Kent case, the Kent case being in the Second Circuit, and the other cases relied on by the court in this case being in the Fifth Circuit; that the Supreme Court of the United States determine whether or not the confusion, mistake or deceit contemplated in the Lanham Act must be involved in an actual unfair competition case involving actual unfair competition through an alleged infringement of a trademark, in which the plaintiff and defendant are competitors, selling the same or similar goods, and in which the defendant seeks to palm off his goods as those of the plaintiff; that the legislative history of the Lanham Act shows the intent of Congress not to incorporate the doctrines of "dilution" or "free ride" in unfair competition cases; that this Court should rule that there is no likelihood of confusion, mistake or deceit

by "Wax" on the part of ordinarily prudent purchasers as to the source of "Wax's" products, and should disapprove the importing of the doctrine of dilution into a Lanham Act case, and confine the provisions of the Lanham Act to unfair competitors, not non-competitors.

(2) That it was error for the District and Circuit Court of Appeals to rule that "Wax", on the merits, was liable to "Beer" in equity on a cause of action based upon the doctrine of dilution of an alleged common law trademark and misappropriation of a portion of the advertising good will of "Beer" as a result of said dilution, i.e. the "free ride" theory, in that, insofar as said alleged causes of action are based upon alleged federal jurisdiction on account of diversity of citizenship, the common law of Florida must be applied to this case; that under the common law of Florida, as expounded by the appellate courts of Florida there was no common law cause of action for unfair competition for such dilution of trademark or misappropriation of a portion thereof, the Florida common law cause of action for unfair competition through common law trademark infringement being confined to cases in which (1) the plaintiff and the defendant were in competition, (2) the plaintiff sought to enforce an infringement of an alleged common law trademark, which other persons could use unless used with the intent to palm off the goods of the plaintiff as those of the defendant, (3) said intent was fraudulent and (4) plaintiff was damaged or would be damaged by loss of sales; that said District and Circuit Courts followed some federal court precedents in order to establish said causes of action, but did not choose to follow precedents of the United States Supreme Court, which construe the common law rule of unfair competi-

tion through infringement of a common law trademark as does the Supreme Court of Florida, and as above alleged; that it was error to read said cause of action into the common law of Florida, because in this record, it is admitted and the trial judge found (T.791) that the parties were not competitors, and did not make the same product or a similar product, and there was no evidence of palming off because "Beer" did not make wax but upheld said alleged cause of action based upon an alleged confusion of advertising of "Wax" and "Beer" (T.791), whereby the value and effectiveness of "Beer's" prior advertising was impaired to some extent by the advertisements of "Wax" by the use of "a deceptively similar phraseology and treatment employed by defendant in its advertising" (T.791), and "despite the fact that the court finds no recompensable damages were incurred" by "Beer" (T.791); that the Florida cases mentioning the common law of unfair competition through the use of alleged trademark or slogan infringement, or other devices, are cases involving the doctrine of palming off; that in *El Modelo Cigar Mfg. Co. v. Gato*, 7 So. 23, 25 Fla. 886 (1890), stated the basic common law doctrine of palming off, and cited the leading case of this Court, i.e. *Canal Co. v. Clark*, 13 Wall. 325, in which this Court likewise announces the principle of palming off as the basic doctrine of common law unfair competition; that from said case, it can fairly be stated that the Florida Supreme Court has been persuaded by the conception of unfair competition at the common law laid down by the Supreme Court of the United States, which has adhered strictly to said doctrine of palming off, and still adheres to same. See, *Amoskeag Trading Co. v. Trainer*, 101 U.S. 51, 55; *McLean v. Fleming*, 96

U.S. 245; *Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U.S. 118, 140; *Goodyear Mfg. Co. v. Goodyear Rubber Co.*, 128 U.S. 598; *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111; *Schechter Corp. v. United States*, 295 U.S. 495, 531; *Saxlehner v. Wagner*, 216 U.S. 375; *Brown Chem. Co. v. Meyer*, 139 U.S. 540, 544; *Donnell v. Herring-Hall-Marvin Safe Co.*, 208 U.S. 267; *Waterman Co. v. Modern Pen Co.*, 235 U.S. 88; *International News Serv. v. Assoc. Press*, 248 U.S. 215; *Lawrence Mfg. Co. v. Tenn. Mfg. Co.*, 138 U.S. 537; *Elgin Nat'l Watch Co. v. Ill. Watch Co.*, 179 U.S. 665; *Larson v. Wrigley, Jr.*, 277 U.S. 97; *Hanover Star Milling Co. v. Metcalf*, 240 U.S. 403; (that the reporter in 198 U.S. 118, at pp. 124-135, showed a resume of the briefs of the parties, one of whom strongly urged the equivalent of the doctrine of dilution upon this Court, but the opinion of this Court in *Howe Scale Co. v. Wyckoff*, supra, the case involved, shows that this Court adhered to the classical doctrine of unfair competition against this onslaught); that the Florida cases have adhered closely, even in trade name cases involving similar names, to prevent palming off between competitors, in keeping with its common law theory of unfair competition. See, *Addison v. Hook*, 107 So. 623, 61 Fla. 337; *Childrens Bootery v. Sutker*, 107 So. 345, 91 Fla. 60, 44 ALR 698; *Gottdiener v. Joe's Rest., Inc.*, 149 So. 646; *Table Supply Stores v. Home Supply Stores*, 155 So. 317, 115 Fla. 188; *James v. Dr. P. Phillips Co.*, 155 So. 661, 115 Fla. 472; *McGhan v. McGhan*, 155 So. 653, 115 Fla. 414; *Miami Bottle Gas v. DR Gas Corp.*, 183 So. 828, 134 Fla. 309 (expressly mentioning the common law); *Ridley v. Smotherman*, 156 So. 605, 116 Fla. 701; *Glazer v. Hoffman*, 16 So. 2d 53, 153 Fla. 809 (a good statement of

Florida common law); *Firstborn Church of the Living God v. The Firstborn Church of the Living God*, 22 So. 2d 452, 156 Fla. 78; *Stagg Shop of Miami Inc. v. Moss*, 120 So. 2d 39; *Sentco v. McCulloh*, 68 So. 2d 577; *Quality Courts Ltd. v. Jones*, 59 So. 2d 20 (slogan case between competitors); *Ventilated Awning Co. v. Dickson*, 67 So. 2d 215; *Rimmeir v. Dickson*, 78 So. 2d 730; *Williamson v. Answer Phone of Jax, Inc.*, 118 So. 2d 248; *May v. May*, 45 So. 2d 494; *Cameron v. Miami Ventilated Awning Mfg. Co.*, 122 So. 2d 582; *Consumers Finance Co. v. Consumers Loan Serv.*, 36 So. 2d, 143, 160 Fla. 768; *Pure Foods v. Sir Sirloin Inc.*, 84 So. 2d 5; *Richards Store Co. v. Richards Warehouse Sales & Auction Gallery, Inc.*, 63 So. 2d 502; *Miami Beach Lerner Shops Inc. v. Walco Mfg. Co. of Fla. Inc.*, 106 So. 2d 233; that the case of *Sun Coast Inc. v. Shupe*, 52 So. 2d 805, cited by the Circuit Court as the only Florida case in which the court stated that the parties were not competitors, shows that said statement was used to show that there was no cause of action, but its citation by said Circuit Court does not make the point the court intended for it to make, because it cites three cases which make it clear that the common law rule is not being abandoned; that in "Wax's" Motion for Rehearing in the Court of Appeals, *Sun Coast Inc. v. Shupe*, supra, and the cases cited therein were analyzed (T.882-6), and it can truthfully be said that the statement in said Shupe case that the parties "were in no sense competitors", was used to show the complete dissimilarity of the tradenames in fact, and that no case was made under the facts of the case, rather than to show that a cause of action would lie against non-competitors; that the cases of *Tampa Cigar Co. v. John Walker & Sons*, 222 F. 2d 460 (CA 5

1955); *Pure Foods Inc. v. Minute Maid Corp.*, 214 F. 2d 792 (CA 5 1954); *Abramson v. Coro Inc.*, 240 F. 2d 854 (CA 5 1957); *Bulova Watch Co. Inc. v. Stoltzberg*, 69 F. Supp. 543 (DC Mass. 1947) were cited by the trial and Circuit Courts to establish the dilution theory of unfair competition, without said court realizing that said cases were based upon federal trademark acts, and applied a form of federal common law in the accompanying common law action of unfair competition, as distinguished from the common law of the state in which it sat, because the action of unfair competition was within the pendent jurisdiction of the federal court; that the case of *American Photographic Publishing Co. v. Ziff-Davis Pub. Co.*, 135 F. 2d 569 (CCA 7 1943), cited by the trial judge to show the power of the federal courts to determine the common law from cases in federal and other jurisdictions, itself ruled that the common law of unfair competition involved the doctrine of palming off goods of the defendant as the goods of the plaintiff, and that when the two publications were clearly so different that there was little likelihood of confusion, a finding of palming off would not be supported by the evidence; that each of said Florida cases, cited above, which represent the body of common law unfair competition cases in Florida, which deal with cases between competitors, and involve the common law conceptions that a common law trademark is not exclusive, but may be used by another person, provided it is not used for the purpose of palming off his goods for the goods of the other person; that rather than recognize that the body of Florida law of common law unfair competition involve cases between competitors and the common law doctrine of palming off, the trial and Circuit Court in this case

sought for and used dicta from Fifth Circuit cases and dicta arising out of Florida cases, not truly representative of Florida common law, and disregarded completely the true holdings of said body of Florida Supreme Court cases, none of which support the doctrine of dilution or unjust enrichment as between non-competitors, i.e. the "free ride" cases; that if this case were sent to the Florida Supreme Court, as this Court may do, "Wax" submits that a different conclusion would be reached than that heretofore reached by the lower courts. (See assignment of error D hereinafter.)

(3) That the trial judge erred in making the following portion of said injunctive order "hereafter issuing any press release, having any interview for any kind of news media or publication, or otherwise giving any publicity to this lawsuit, or to the words 'where there's life . . . there's Bugs' or any words deceptively similar thereto." (T.769), and the Circuit Court erred in affirming said portion of said order (T.821), each of said courts abusing their discretion in making said order and upholding same in that said portion of said injunctive order, assuming the remaining portion to be upheld, was contrary to law, the evidence and without evidence to support same, and is an abuse of discretion in that:

(a) That the evidence is that all press releases given out during the course of said trial with the authorization of "Wax" were true and correct reports of the judicial proceeding (T.742 et seq.).

(b) That counsel for "Beer", complaining of said press releases, when given the opportunity to cross-examine Joseph A. Dougherty, who wrote and gave said press releases, failed to question him with respect there-

to, and failed to recall him for additional cross-examination, if desired.

(c) That the rights of "Beer" to the use of said alleged trade slogans of "Beer" applies to advertising with respect to sales of "Beer's" product, Budweiser Beer, and as a result were considered by the court either a common law trade slogan or trademark, or a federally registered trademark, "Beer" is not entitled to protection against any public use thereof other than use by a competitor, or non-competitor, in connection with its sales; that the giving of press releases or interviews to news media or publications by giving a true and correct report concerning this lawsuit, is not an advertising within the meaning of common law or statutory trademark laws, nor is same a commercial use thereof.

(d) That said portion of said order violates the spirit of Amendment I of the Federal Constitution, whereby the federal government is prevented from abridging the freedom of speech, or of the press.

(e) That to deprive either litigant of the right to make a true and honest report of a litigation in which he was a party is to deprive said person of property without due process of law within the spirit of Amendment V and Amendment XIV, of the Federal Constitution.

(f) That to give to "Beer" complete freedom to make press releases and to enjoin "Wax" from making press releases, or otherwise giving any publicity to this lawsuit, or to the words "Where there's life, there's Bugs", is to deprive "Wax" of equal protection of the laws, within the spirit of Amendment V and Amendment XIV of the Constitution of the United States, because

"Beer" and other parties are left free to do the very things enjoined as against "Wax".

(g) That there was evidence that the press release first given out concerning this lawsuit was given out by counsel for "Beer" (T.189); that other press releases given were given by Dougherty, who was formerly connected with "Wax", but at the time an independent contractor (T.748, 749), although the President of "Wax" authorized him to make said releases (T.190, 191), so long as they were truthful; that there was never any objection as to their truthfulness.

(h) That there will be adequate sanction of all violations of Paragraph 1 of said final order on the part of "Wax" by the power of the trial court to punish for contempt.

(i) That from time immemorial equity courts have hesitated and restrained themselves from enjoining trade libel or slander, because the issues made thereby and therein were peculiarly appropriate for a decision by a jury, and because the courts were fearful of setting up a system of judicial censorship (See notes 47 ALR 2d 726, §5; 148 ALR 853).

(j) That "Beer" not only has the remedy to adjudge "Wax" in criminal contempt for violation of the injunction on the merits, provided said portion of said order be affirmed by this Court, but also has a common law remedy for damages if defendant commits a wilful or malicious trade libel or slander by giving an untruthful or incorrect report of this judicial proceeding.

(k) That the damages sought to be restrained against

by said portion of said order were conjectural and speculative.

(l) That said portion of said order is not responsive to any prayers of the petition.

(m) That said portion of said order violates freedom of speech of individuals and the press, and is a restraint on freedom of speech and the press contrary to the spirit of this Court in *Near v. Minn*, 283 U.S. 697, and of the Supreme Court of Florida in *Moore v. City Dry Cleaners & Ldy.*, 41 So. 2d 865.

(n) That the right of an individual to speak the truth freely should be protected as adequately as is that freedom accorded to the press.

(o) That the Circuit Court was in error in failing to reverse this portion of said order for the reasons set forth in "Wax's" Motion for Rehearing in the Circuit Court (T.909-912).

(4) That it was error for the Court of Appeals to rule that the trial court was fully authorized in the entering of the final injunction against the continuing of the use by "Wax" of the slogan, "Where there's life, there' Bugs" in the course of its advertising of its product Freewax, and for said court to rule that the conduct of "Wax" in using said slogan fairly reeked with unfairness and indicated a callous indifference to the damage that might occur to others from the action taken by it, and to rule that same was not only morally reprehensible, but also legally impermissible (T.819), and to make said ruling in a case not involving competitors, and involving dissimilar products when the only evidence upon which said conclusions are based is the finding of

the trial court that "at the time that the idea to use 'Where there's life . . . there's Bugs' arose, defendant knew that plaintiff was using the same slogan 'Where there's life . . . there's Bud' and 'Where there's life . . . there's Budweiser' ", and that at the time the order was placed with the T.V. film producer, "defendant was also aware that there was a possibility of friction between its use of the slogan, and plaintiff's use of the slogan" (T.790) and the finding of the trial court that "the advertising of defendant is deceptively similar, so as to confuse the advertising of plaintiff and defendant." (T.791), on the ground that there are no facts found by the trial court to justify such a diatribe against "Wax" whose use of said slogan, under the undisputed evidence, was solely for a genuinely truthful purpose of conveying a truth to the public, which truth assisted "Wax" in selling its beneficial and unharmful product; that said conclusions of law by the Circuit Court through the use of said aforesaid findings and rulings is not only contrary to the law of Florida in that there is no such type of cause of action, based upon said alleged "free ride" theory, in the common law of Florida, and said Circuit Court of Appeals was without authority to inject same into said common law of Florida, and in addition is contrary to the rulings of the Supreme Court of the United States in *Champion Plug Co. v. Sanders*, 331 U.S. 125, and the Supreme Court of Massachusetts in *Chadwick v. Covell*, 151 Mass. 190, 193, 23 N.E. 1068, in the former of which cited cases this Court stated: "When the mark is used in a way that does not deceive the public we see no such sanctity in the word as to prevent its being used to tell the truth. It is not taboo."; that in this case said slogan was not used in connection with a effort on the part of

"Wax" to palm off its goods as the goods of "Beer", and thereby deprive "Beer" of sales it otherwise would have had, which is the limitation of protection afforded to the owner of an alleged common law trademark; that the purpose for which said slogan was used by "Wax" is set forth fully on p. 60 infra, in the amplification of the questions presented for review; that the alleged slogans of "Beer" are not truthful in that Budweiser is not present wherever there is life; that said slogan falsely infers a therapeutic or health and social value to beer which does not exist.

**D. WAS THE CIRCUIT COURT IN ERROR IN REFUSING TO CERTIFY TO THE SUPREME COURT OF FLORIDA FOR FINAL DETERMINATION THE EXISTENCE OR NON-EXISTENCE OF THE CAUSE OF ACTION SUED UPON IN THE ORIGINAL COMPLAINT AS AMENDED, OR AS SHOWN BY THE RECORD IN THIS CASE, IF ANY, WHEN THE TRIAL COURT FREELY ADMITTED THAT NO PRECEDENT UPHOLDING SAID CAUSE OF ACTION EXISTED IN THE DECISIONS OF THE APPELLATE COURTS OF FLORIDA, OR IN THE COMMON LAW BY WHICH SAID COURTS WERE BOUND, AND WHERE THE OPINION OF THE CIRCUIT COURT IS BASED ON DICTA IN FLORIDA SUPREME COURT DECISIONS AND RULINGS OF FEDERAL COURTS, CONTRARY NOT ONLY TO DECISIONS OF THE SUPREME COURT OF THE UNITED STATES BUT TO A GREAT NUMBER OF DECISIONS OF OTHER DISTRICT AND CIRCUIT COURTS OF APPEALS, THE POWER AND DUTY TO MAKE SAID REFERENCE HAVING BEEN RECENTLY UPHELD IN DECISIONS OF THIS COURT[4] AS WELL AS IN DECISIONS OF CIRCUIT COURT OF APPEALS FOR THE FIFTH CIRCUIT[5] AND OTHER CIRCUITS?**

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[4] *Clay* v. *Sun Insurance Co.*, 363 U.S. 207.

[5] *Green* v. *American Tobacco Co.*, 304 F. 2d 70, (CCA 5, 1962)

(1) That the Circuit Court of Appeals was in error in overruling the Motion of "Wax" to certify to the Supreme Court of Florida for adjudication or instructions the questions or propositions whether or not there was a cause of action for unfair competition between non-competitors arising out of an alleged infringement of a common law trade slogan, where the merchandise manufactured between the parties was entirely dissimilar, although the merchandise of each was sold from time to time in the same retail outlets, but where there was no element of palming off of the goods of the defendant as the goods of the plaintiff, but in which there was an alleged confusion in advertising slogans of the plaintiff and the defendant through the use of a deceptively similar slogan by the defendant which might cause a purchaser to believe that the products of the plaintiff were connected in some manner by the defendant, and whether or not defendant could be enjoined from continuing with the use of its slogan on the ground that such use would dilute the trade slogan of the plaintiff, and would afford to the defendant on the theory of unjust enrichment an advantage, benefit, or "free ride" based on good will previously built up by the plaintiff through extensive use and advertising of its slogan, which had the qualities of a common law trademark, or such other relevant questions of law based upon the pleadings or evidence, or the evidence alone, as provided under Section 25.031, Fla. Stat. 1959 (Vol. IA, F.S.A § 25.031), as supplemented by Rule 4.61 of Fla. Appellate Rules, 31 F.S.A. (in re. Fla. Appellate Rules), Fla. 127 So. 2d 444, March 1, 1961, 1962 revision; that the said questions or propositions, if answered in favor of "Wax" to the effect that there is no recovery in equity or at law under the common law of Florida based on the pleadings

and/or evidence in this case, will be determinative of this case; that there are no clear controlling precedents in the decisions of the Supreme Court of the State of Florida, as admitted by the District Court (T. 793), and as shown by the opinion of the Court of Appeals in this case (T. 808-821); that under said Florida rule only a federal appellate court may certify such question, i.e., either a Circuit Court of Appeals or the Supreme Court of the United States, and the failure of the Circuit Court below to certify same is herein assigned as error, and is accompanied by a motion that this Court certify to the Supreme Court of Florida for decision such questions or propositions of state common law as are herein indicated; that the provisions of said Florida rule may be invoked by any of said federal appellate courts, upon its own motion, or upon the motion or suggestion of any interested party when approved by such federal court; that the certificate may be prepared by stipulation or as directed by said federal court, and signed by the presiding judge of the federal appellate court, and after the filing of said certificate in the Florida Supreme Court, briefs and arguments on said questions are made to the Florida Supreme Court in accordance with its said rules, which are set forth in full in Appendix E (p. 67a infra); that the opinion of the Circuit Court in this case is based upon its understanding of the findings of the trial court to include findings that the public would be "tricked" and that the appellee's "affairs would be damaged," and "certainly complicated" (T. 817, 818); that the word "tricked" or its equivalent is not found in the findings of the trial court nor is the finding that appellee's "affairs" would be damaged, found in the findings of the trial court, nor is the word "complicated" found in the findings of fact of the trial court; that the only finding

of fact concerning confusion by the trial court was in the advertising of plaintiff and defendant, which "created the impression that defendants advertising had some connection with the plaintiff or plaintiff's product" (T. 791), whereby "its prior advertising is impaired to some extent"; that the Florida case of *Sun Coast Inc. v. Shupe*, 525 So. 2d 805, which used said three above quoted words, does not mean that a case would lie where said three elements were present in the absence of competition between the parties, and where no effort was being made to palm off the *goods* of the defendant as the goods of the plaintiff; that, if such a cause of action does exist in the Florida common law, there is no Florida case giving the measure of damages whereby this Court could more easily arrive at the amount or value in controversy; that if this Court grant a certiorari and reverse the Circuit Court and the trial court on the ground that jurisdiction of the subject matter is lacking on account of the absence of pleading and proof of the amount or value in controversy, it may be unnecessary to certify said questions to the Florida Supreme Court, because the plaintiff will be necessarily remitted to the state courts of Florida as the proper forum for any relief it may seek; that the Supreme Court of Florida should determine whether the development of its common law should be ruled by its courts to encompass the cause of action presently adjudicated in this case, or whether said extension of its common law should be left to the legislature of the State of Florida, as has been done in the states of Georgia, Massachusetts, Illinois and New York, particularly in view of the conflicting decisions in existence between the federal courts of other circuits with respect to the validity of such cause of action, i.e., whether the cause of action is restricted to cases between competitors, whether said

trade slogan is an exclusive property right in that it represents a part of the good will of the plaintiff company which can be diluted, appropriated or otherwise damaged by the alleged wrongful simulation thereof by "Wax," a non-competitor, whether there must be proof of palming off by the defendant, and how damages can be determined or measured in cases between non-competitors, if said cause of action be adjudged to exist; that if the federal courts determine said basic question as it has heretofore done, and the Supreme Court of Florida later decides differently in a similar case, not only will great injustice be done to "Wax" because "Beer" picked the forum initially but the entire exercise of diversity jurisdiction in future cases will be erroneous because of the precedent of this case; that the procedure herein requested is authorized by the case of *Clay v. Sun Insurance Co.*, 363 U. S. 207, and *Green v. American Tobacco Co.*, 304 F. 2d 70 (CCA 5, 1962); that in eliminating the necessity of proof of defendant's palming off his goods as the plaintiff's goods, as the determinative principle of the common law cause of action for unfair competition based upon an alleged infringement of a common law trade slogan, the trial and appellate court in this case have eliminated the sole concrete and definitive limitation on said common law cause of action for unfair competition and have deprived said cause of action of its main philosophical and legal standard or safeguard, and have left the lower federal courts open to a greatly increased jurisdiction thereby; that this case represents a type of jurisdiction calculated to create friction between the state and the federal judiciaries, and involves questions of law on its merits in which the interests of the state are paramount.

(2) That "Wax" moves this Court to certify said

questions set forth in D (1) above to the Supreme Court of Florida for adjudication by said Court, because said adjudication will be determinative of this case, for the reasons alleged in D (1) above, all as provided in said Florida Supreme Court rule and said Florida Statute.

E. The judgment of the Court of Appeals was error in affirming the trial court on its rulings on jurisdiction as to diversity of citizenship and on the merits, and in reversing the trial court in its ruling that there was no federal jurisdiction under the Lanham Act; and in overruling the Motion for Rehearing filed and urged by Petitioner, and its Motion to Set Aside the judgments of each of the lower courts because the federal courts had no jurisdiction of the subject matter of this suit, and its Motion to Certify to the Supreme Court of Florida the determination of certain questions of law, as therein specified (T. 823, 905, 916), and "Wax" urges that said judgments were error for each and every reason set forth in said Motion for Rehearing, which should have been granted.

## (d) THE CONSTITUTIONAL PROVISIONS, STATUTES AND RULES OF COURT WHICH THIS CASE INVOLVES.

The constitutional provisions, statutes and rules of court which this case involves are set forth in Appendix "E" hereinafter as provided by Rule 23. There are three phases with respect to said codified provisions:

(1) JURISDICTION, which involves 28 U. S. C. §1332 [diversity of citizenship provision]; 15 U. S. C. §1121 [jurisdiction of federal courts, regardless of absence of diversity under Lanham Act]; 28 U. S. C. §1338(b) [pendent jurisdiction under the Lanham Trademark Act.[6] 15 U. S. C. 1051 et seq., Public Law

[6] On October 9, 1962, Public Law 87-772, 76 Stat. 769, was approved and enacted into law, amending certain portions of the Lanham Trademark Act, including Sections 32 and 35 (15 U. S. C. §1114 and 15 U. S. C. §1117). These amendments are

489, 79th Congress (Ch. 540, 2d Sess., 60 Stat. 427)]; Rule 15 Federal Rules of Civil Procedure[7] and 28 U. S. C. §1653 [Amendment of facts not existing at time suit was filed in order to give jurisdiction is not provided for in this rule and statute.].

(2) MERITS OF ALLEGED CAUSE OF ACTION, which involves

(a) the Lanham Trademark Act, particularly 15 U. S. C. §1114 and 15 U. S. C. §1115; 15 U. S. C. §1126 (b), (h), (i); 15 U. S. C. §1127, defining "Trademark", "Service-mark", "colorable imitation", and intent of said chapter; and

(b) common law unfair competition action, which involves the Florida Statutes, which includes Fla. Stat. Ann. Section 2.01 [adopting the common law as of July 4, 1776], 25.031 Florida Statutes 1959 F. S. A. (1A F. S. A. §25.031), [which provides for Court to certify adjudication of question from Federal Court], and Florida

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also shown in the Appendix "E" hereto attached. The view of petitioner "Wax" is that these amendments by Congress in no way lessen the need for the granting of certiorari in this case, and said amendments have no effect upon this case. See *Legislative History and Analysis of Legislation* on p. 4388 of the U. S. Code Congressional and Administrative News, Vol. 17 (October 20, 1962).

[7] Rule 15 Section (d) was amended by order of This Court on January 21, 1963, pursuant to Title 28, U. S. C., Sec. 2072, and transmitted to Congress on January 21, 1963, although the ninety-day period for said amendment to take effect has not expired as of the time of printing the Petition for Certiorari. Petitioner avers, nevertheless, that said amendment would not authorize a plaintiff to amend or file a supplemental petition to give a court jurisdiction where facts occurred after suit was filed, and jurisdiction did not exist when suit was first filed. See, *Report of Proposed Amendments to Certain Rules of Civil Procedure for the United States District Courts*, submitted by the Judicial Conference of United States, September 21, 1962 (Found in advance sheet 83 S. Ct. No. 7, p. 51.).

Appellate Rules 4.61, found in 31 F. S. A. (in re. Florida Appellate Rules), which implements said Statute 25.031.

(3) PUBLICITY TO THE INSTANT LAW-SUIT, which involves U. S. Const. Amend. I, U. S. Const. Amend. V, U.S. Const. Amend. XIV, §1, said amendments applicable to the portion of the permanent injunction as follows:

> ". . . be hereafter enjoined and restrained from:
>
> "1. . . .
>
> "2. Hereafter issuing any press release, having any interview for any kind of news media or publication, or otherwise giving any publicity to this law suit . . .".

## (e). STATEMENT OF THE CASE CONTAINING THE FACTS MATERIAL TO THE CONSIDERATION OF THE QUESTIONS PRESENTED.

"Beer" filed its petition in the Tallahassee Division of the United States District Court for the Northern District of Florida, praying an injunction and treble damages against "Wax" for an alleged trademark infringement by the use by "Wax" of the slogan "Where there's life, there's Bugs" in its T.V. and radio advertising in selling its products Freewax, a floor wax with an insecticide therein, alleging that jurisdiction existed in the federal court under the federal trademark law because of its registrations of the words "Bud", "Budweiser", and "Budweiser and design", and by virtue of diversity of citizenship with respect to common law unfair competition as a result of said infringement of said trade slogans "Where there's life, there's Bud", and "Where there's life, there's Budweiser", alleged to be well known

trade slogans and marks of "Beer", which would be diluted and impaired by said user, and futher alleging confusion and mistake as to the products of "Beer" and "Wax", and resulting deception of purchasers. "Wax" did not file an answer until after the interlocutory hearing, which resulted in a temporary injunction prohibiting the use of the slogan "Where there's life, there's Bugs" or any similarly deceptive slogan by "Wax" in its advertising. After a final hearing, the District Court made the injunction permanent; but denied damages on the ground that they were not compensable, but found the likelihood of damages, found confusion between the advertisements of the parties, and based the cause of action in equity on the so-called doctrines of "dilution" and "unjust enrichment" by "Wax", or a "free ride" by "Wax", of said trade slogans of "Beer". The District Court incorporated the evidence introduced at the interlocutory hearing in the final trial and incorporated the terms of the interlocutory injunction in the final decree. During the course of the trial, and before final judgment, "Beer" applied for registration of the slogan "Where there's life . . . there's Bud" with the Patent Office, and obtained a registration thereof on the supplemental register on October 4, 1960, but did not register the slogan "Where there's life . . . there's Budweiser". The trial court found jurisdiction under diversity of citizenship, but denied jurisdiction on the basis of a federal question under the Lanham Act. The effect of the findings of the trial court and of the Court of Appeals was to ignore the registrations "Bud", "Budweiser", and "Budweiser and design", because, as found by the trial judge, these words were never "assaulted" or used by "Wax". Diversity of citizenship was sought to be

proven by testimony as to the amount of increase in sales of "Beer", as a result of an advertising campaign since 1956 using said two slogans, and as a result of the millions of dollars spent in this advertising campaign, advertising Budweiser Beer, and other products of "Beer". No evidence was introduced to segregate the value of the slogans of "Beer", nor was evidence introduced to prove any damage to the good will of "Beer" or any portion thereof, or loss of sales. "Wax" claimed that it was in no way infringing on said slogans by the use of its said slogan, which it had very fine reasons to use, i.e. as used in the background of the T.V. and radio commercials, films of which it showed to the trial and appellate courts, it sought to eliminate out of the mind of the buying housewife her shame in buying Freewax, because it impliedly admitted that her house was dirty because she had to get rid of bugs; that the two parties were not in competition with each other, the wax product and the beer product being not remotely connected; that, since "Wax" was not palming off its goods as the goods of "Beer" in a competitive market, and since there was no confusion of any sort of the commercials when properly considered by said courts and this Court, the petition should be dismissed and the temporary injunction granted also dismissed. T. V. films of "Wax" were introduced in evidence by "Wax", but none of the T.V. films of "Beer", plaintiff in the case, were introduced.

The Circuit Court affirmed on the merits but, upon error assigned by "Beer", reversed the District Court and placed federal jurisdiction upon an alleged violation of the Lanham Trademark Act, because of a registration of "Where there's life . . . there's Bud" issued to "Beer"

after said suit was filed, as well as upon diversity of citizenship.

Questions to be reviewed are of broad significance, and are detailed in "Wax's" original Motion for Rehearing, Motion to Set Aside the Judgment of the trial court and the appellate court, and Motion to Certify Adjudication of Certain Questions by the Supreme Court of Florida, which was denied; and the assignments of error in (c) above. Exhibits "I" and "II" hereto attached contain a full statement of facts, the relevant pleadings and the evidence. Each of same along with the argument amplifying the reasons relied on for the allowance of the writ of certiorari in (h) hereafter must be read by this Court in order to understand fully the background of facts and rulings of law supporting the assignments of error.

## (f) SUBSECTION (f) OF PARAGRAPH 1 OF RULE 23

Subsection (f) of Paragraph 1 of Rule 23 is not applicable to this Petition for Certiorari in that a review of a judgment of a state court is not sought.

## (g) BASIS FOR FEDERAL JURISDICTION

The alleged basis for federal jurisdiction in the court of first instance was pleaded (1) as "a suit arising under the trademark laws of the United States", and (2) upon the ground of diversity of citizenship of the parties, and the matter in controversy exceeds, exclusive of interest and costs, the sum of Ten Thousand Dollars ($10,000.00)."

At the time of filing the suit, the trademarks pleaded were "Bud", "Budweiser", and "Budweiser and design" as federally registered trademarks, and "Where there's

life . . . there's Bud", and "Where there's life . . . there's Budweiser", as a common law slogan and trademark.

On August 2, 1960, after the suit had been filed on July 12, 1960, and an interlocutory order had been issued on July 21, 1960, "Beer" filed application to register "Where there's life . . . there's Bud" with the Patent Office as a registered trademark under the Lanham Act, and on October 4, 1960, prior to the final trial and the issuance of the final order appealed from, said slogan "Where there's life . . . there's Bud" was registered on the Supplemental Register, as provided by the Lanham Act. "Beer attempted to amend its petition at the final trial to allege said registration, but the court denied the right to amend the petition, but permitted said registration to be introduced in evidence at the final trial.

"Beer" contended that the District Court had jurisdiction under the Lanham Act on account of the registration of said words "Bud", "Budweiser", and "Budweiser and design", but neither of the lower courts gave that contention any consideration, and treated it as if said contention did not exist, it being obvious that said contention was a shot in the dark, because none of the attorneys (except one local Tallahassee Counsel), officials or employees of "Beer", had ever seen the commercials of "Wax" prior to filing the suit (T. 12). It merely guessed that there was an alleged infringement of said three words, and the trial court found that there was no user by "Wax" of any of said three words, i.e. these words were not assaulted. "Beer" also contended for jurisdiction under diversity of citizenship for its alleged common law action of unfair competition through infringement of said slogans, by "Wax" by its user of the slogan, "Re-

member — Where there's life, there's Bugs. Use Free-wax", and later, after introducing said registration. "Where there's life . . . there's Bud" in evidence, it contended that the trial court had jurisdiction by virtue of said registration acquired after the commencement of said suit under the Lanham Act, making proof of diversity of citizenship unnecessary in the case, in accordance with 15 U. S. C. §1121. The trial court denied this jurisdiction, but the Circuit Court reversed the trial court therein, and sustained jurisdiction under the Lanham Act because of said registration pending said suit.

"Wax" contended that the first ground of federal jurisdiction was purely a sham; that the ground of diversity of citizenship did not exist because there was no proper pleading or proof thereof; and that the ground of federal jurisdiction by virtue of obtaining said registration pending said suit, and introducing same in evidence, did not exist, because, based on facts arising after the suit was filed.

As the case now stands, jurisdiction of the trial court is based upon the Lanham Act and an alleged infringement thereunder, with pendent jurisdiction as to the common law action of common law unfair competition, thereby rendering proof of the amount or value in controversy unnecessary. Our assignments of error attack these rulings as to jurisdiction of the federal courts (including the overruling of the Motion to Set Aside the judgment for lack of jurisdiction made by "Wax" in the Court of Appeals for lack of jurisdiction of the subject matter) : that "Wax" contends that the only court having jurisdiction of this case, if any, is the state court of Florida.

## (h) ARGUMENT AMPLIFYING REASONS RELIED ON FOR THE ALLOWANCE OF THE WRIT.

In drafting (c) above (assignments of error) and this entire petition, we have treaded with caution for fear we would violate this Court's rules as to brevity and conciseness, but we find that the length of this amplification is absolutely essential if this Court desires to have a proper background for the important questions presented for review. The record is so voluminous that we will fail in our duty if we do not set forth in usable form the background of these momentous questions, the decision of which will greatly cut down the case load of the federal lower courts. Our caution is tempered with anxiety not to offend and we apologize if we do. We have heretofore set forth in (c) the questions presented for review in the light of Rule 19 (b), each subdivision of which is involved in this case as a ground for granting certiorari. The following represents months of painstaking study for the purpose of assisting this Court to digest the lengthy record in this case and to place the questions for review in their proper factual background. This Court, thirty-six years ago, had before it on certiorari, one of the main questions raised in this case and said question for review was considered sufficient ground for granting the certiorari. But the question concerning alleged trademark dilution was not decided by this Court because the question was not properly raised. See *Beech-nut Co. v. Lorillard* (1927), 273 U. S. 629. We hope not to make such error. In the intervening thirty-six years the lower courts have gone in all directions on this question for lack of supervision by this Court. When we consider the many hundreds of certioraris denied in this field of law, compared with the

few granted, we are impressed with the fact that too much brevity in presenting the petition might have been an abetting cause. Recognizing the superhuman task of this Court in passing on the many petitions for certiorari presented to it, and with an intense desire to follow its rules, we nevertheless submit that the application for certiorari in this case cannot be passed upon in a sound manner without reference to the summary of the pleadings and evidence (Exhibits I and II attached to this petition, and the facts and arguments in this amplification, summaries of which would require weeks of this Court's time to make.

This Court has not granted a certiorari in this field of law, i.e. common law of unfair competition and trademark infringement in federal courts, since its decision in *Armstrong Paint Works* v. *Nu-Enamel Corp.* (1938), 305 U. S. 315, 59 S. Ct. 191, 83 L. ed. 195, except in three cases involving questions of law, which, while helpful to guide the lower federal courts in narrow roads in this field of law, did not present rulings broad and comprehensive to save the federal taxpayers the millions of dollars which will result from a decision of the issues here involved, if decided in accordance with petitioner's prayers, because such favorable ruling will cause a decrease in the assumption of federal jurisdiction by federal district courts in cases over which state courts should rightfully be required to carry the burden, said three cases being *Mishawaka Mfg.* v. *Kresge Co.* (1942), 316 U. S. 203, involving a ruling governing an accounting and measure of profits and damages where the trademark had been registered under the Trademark Act of 1905, and an infringement had been found; *Champion Plug Co.* v. *Sanders*, 331 U. S. 125, involving rulings on in-

junctions concerning an infringement of the trademark registered under the Trademark Act of 1905, where common law unfair competition was also found by the trial court; *Steele* v. *Bulova Watch Co.* (1952), 344 U. S. 280, construing the Lanham Trademark Act of 1946, 15 U.S.C., § 1051 et seq. (the only case in this court construing said Act) to apply to an alleged infringement of a trademark registered under the Lanham Act involved in foreign commerce, in which the alleged acts of infringement in great part took place in a foreign nation, causing damage to the reputation of the real Bulova Company when spurious "Bulovas" were brought into retail jewelers in the United States for repair at which time the jewelers complained that upon inspection said Bulovas turned out not to be the products of the real Bulova Company.

Criticism of the Supreme Court of the United States for its failure to grant certioraris in cases in this field have been both multitudinous and trenchant.[8] The instant case presents ample opportunity for this court to lay down guiding principles not only on questions of

[8] Callman, *Unfair Competition and Trademarks* (2d ed.), Vol. 4, p. 1914;
Lunsford, *Trademark Infringement and Confusion of Source, Need for Supreme Court Action*, 35 Va. L. Rev. 211, 229, 233, (1949);
Stern, *Denial of Certiorari Despite a Conflict*, 66 Harv. L. Rev. 465 (1953);
Leiman, *The Role of Four*, 57 Colum. L. Rev. 975 (1957);
Note 105 U. Pa. L. Rev. 1084 (1957);
Derenberg, *Trade-Marks Ante Portas*, 52 Yale L. J. 829, 831 (1943), wherein the author said: "Not since the court's decision in the Shredded Wheat case and Nu Enamel case in 1938, has the trade-mark profession had the benefit of an authoritative determination by the Supreme Court of any of the many controversial issues which have vexed trade mark owners and trade mark lawyers ever since the passage of the Act of 1905."

jurisdiction of the federal courts, but also on questions involving the merits concerning trade slogans, which, under the ruling of the court in this case, become the burdens of federal courts simply because in excess of $10,000.00 was spent to advertise same.

Noting the many slogans now used in T.V. and radio commercials, and knowing that one T.V. commercial on a national basis will cost well in excess of $10,000.00 (although impossible to segregate the part of the cost attributable to the slogan only, or divorced from its background, as is true in the instant case), suggests a fast growing diversity of citizenship jurisdiction of the lower federal courts, if this Court sustain the rulings of the lower courts in this case as to the amount or value in controversy between the two instant parties. See, *Time, Inc.* v. *Life Tel. Corp.*, 123 F. Supp. 470 (DC Minn. 1954), and citations therein[9] in which the court ruled that the amount in controversy was equal to the amount spent in advertising the alleged trademark, which was the erroneous theory used by the lower courts in this case to sustain diversity. In fact, the greater the number of cases in the lower courts, the greater the number of applications for certiorari submitted to this

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[9] The court said: "That the value of that investment establishes the amount in controversy in cases of this suit is well settled. *Admiral Corp. v. Penco, Inc.*, 2 Cir. 1953, 203 F. 2d. 517; *Hanson v. Triangle Publications, Inc.*, 8 Cir. 1947, 163 F. 2d. 74; *Del Monte Special Food Co. v. California Pack Corp.*, 9 Cir. 1929, 34 F. 2d. 774; *Great Atlantic & Pac. v. A. & P. Radio Stores*, 20 F. Supp. 703."

We submit these cases are wrong and contrary to cases of this Court, and other circuits, as we point out in assignments of error on jurisdiction and merits. *KVOS, Inc. v. Assoc. Press*, 299 U.S. 269; *Seven-Up Co. v. Bluenote, Inc.*, 159 F. Supp. 248, affd. 260 F. 2d 584, cert. den. 355 U.S. 837 (1957).

court, and the fewer granted — the evil breeds itself. In this field of law, however, "the fewer granted" is an exaggeration, because so few have been granted in the last twenty-five years. Some of this criticism is unmerited, because most of these cases are decided on the particular facts of the particular case, but certioraris should be granted where this Court has the opportunity to put at rest broad legal principles common to most of these cases, but still undecided.[10]

Respondent in this petition, admittedly a Missouri corporation, is engaged in the brewing of beer, including Budweiser, Busch-Bavarian, Regal and other brands of beer, and other beer by-products, such as corn products, yeast derivatives, such as vitamins, animal food, bakers' derivatives, starch, table syrup (T. 73), yeast, corn syrups, frozen eggs (T. 2). Its table syrup has various types of labels, such as Golden Syrup, Honey Syrup, and White Crystal (T. 74), and it retails its merchandise in grocery stores of all types, in the Southern states (T. 74). Each of these foods have various identification labels (T. 76), adding to its overall good will, and many were introduced in evidence (T. 76).

Its Budweiser Beer, also referred to as "Bud," a contraction of the word "Budweiser," is its only product allegedly protected by its slogans involved in this case (T. 86). It is manufactured in four plants, located in New Jersey, California, Missouri and Tampa, Florida (T. 78). These slogans were not used in every adver-

[10] As to rulings by this Court as to the right and duty of lawyers to criticize this Court, see *"Is the Bar of the United States Failing in its Duty to Constructively and Fearlessly Criticize Decisions of our Court?"*, by John C. Satterfield, president of the American Bar Assn. in Ga. Bar Journal, August, 1962, Vol. XXV, No. 1.

tisement by "Beer" (T. 230). Other slogans were used (T. 230). Its beer is marketed through nine hundred wholesalerships, and ten branches, moving in the direction of the retailer to the consumer through the retailer, which is the supermarket, superette, the "momma and poppa" stores, the drug stores, the liquor stores, the combination tavern and liquor stores, and filling stations. "Bud" Beer is sold in fifty states of the United States and is exported (T. 79). Its consumer advertising consists of the use of radio, television, newspaper, Sunday supplements, magazines, posters, painted road posters and bulletins, all of which is handled by D'Arcy Advertising Agency, but its point of sale advertising material and sales promotional advertising material is handled by the Company and the wholesalers (T. 80). "Beer" stipulated that none of its beer containers ever used either slogan thereon (T. 229). "Beer's" Exhibits 11, 12, and 13 represent different types of six-pack carriers used to carry beer from the retail outlet to the home (T. 82), and the slogans "Where there's life, there's Bud," or "Where there's life, there's Budweiser," appear printed on some of these carriers (T. 82, 230), on which "Beer" spent nine million dollars for the cost of 360 million carriers which went out into the field during its advertising campaign from 1956 to the date of the trial (T. 82), and spent during approximately three years (T. 83), the sum of $75,000.00, on envelopes mailed to wholesalers, retailers, and their own personnel in the field, both from the main offices and the plants, on which was printed the slogan "Where there's life, there's Bud." In addition, it had other and separate advertising campaigns, such as the "pick-a-pair" campaign (T. 95). Starting in 1956, its product increased in bar-

relage over one million barrels, and its net sales increased from 214 million to 295 million dollars. The use of the slogan "Where there's life, there's Bud" was testified to as a very important factor in this increase, but no effort was ever made to determine the percentage of the increase attributable to the use of said slogans alone, or of said slogans separately.[11]

The same witness, an officer of "Beer," was not familiar with the beer made by "Beer" called Busch-Bavarian Beer or Regal Beer, but considered the right to the slogan "Where there's life, there's Bud" to be an extremely valuable right, but no effort was ever made throughout the case to value same (T. 99). Said two slogans were used only with respect to its Budweiser Beer (T. 86), but its actual use was confined to it being printed on said carriers, envelopes, and spoken or printed on radio and television programs, the films and records of which were never introduced in evidence by "Beer." Only the script thereof devoid of its picture or musical background in its films was introduced in evidence (T. 11-15, 109).

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[11] This Court will notice the soft-pedalling of the contention by "Beer" throughout the record that there was a confusion between the slogans "Where there's life, there's Bugs" and "Where there's life, there's Budweiser," because of the lack of any similarity of sound between "Bugs" and "Budweiser," as for instance, "Where there's life, there's Bud" was the only one of said slogans registered in the Patent Office pending this suit (T. 399, 406), well knowing that not the remotest alleged confusion could be claimed for "Wax's" "Bugs" slogan as to the "Budweiser," as distinguished from the "Bud" slogan. This Court will notice the two staged and stilted efforts to show confusion in sound between the words "Bugs" and "Bud" by witnesses for "Beer" (T. 85, 193). Its vice-president witness "busted" a signal when he understood the word "Bud" to be "Bugs," and not "Bugs" to be "Bud," which is its true contention. But its second witness got his signal straight (T. 193).

Chemical Corporation of America is admittedly a Florida corporation, engaged solely in the manufacture and sale of a floor wax, known as "FREEWAX," containing an insecticide destructive to bugs and insects on the floors to which it is applied, but not harmful to humans. Its sales in the last fiscal year before the trial of this case (through June 1960) was $1,900,000.00 (T. 243), with advertising expense in said year of $700,000.00 (T. 22), whereas the advertising expense of "Beer" in 1960 was at least $14,000,000.00 (T. 114, 121), and $40,000,000.00 since it commenced its campaign in 1956, in which campaign the two slogans were used extensively. FREEWAX is sold in grocery, hardware, drug stores, including super markets (T. 261-2), and in some such stores which retail Budweiser Beer (T. 262). In the course of its sales growth, "Wax" had encountered the obstacle arising from the refusal of the housewife to reach to buy a can of Freewax, because to do so she thereby impliedly admitted bugs were in her home (T. 206), and therefore, she or others thought her home was dirty. (T. 23, 26, 57, 178, 189, 202-3-4-6-7, 214, 251, 260, 292, 457). It had used another slogan in its advertising, "Freewax is life on floors, death on bugs." (T. 213, 263), but "Wax's" big problem was to establish in the minds of housewives that even in the absence of dirt on her floors, there would still be bugs thereon. The truth was that regardless of how clean a housewife kept her floors, there would still be bugs on floors, because bugs are attracted not by dirt but by particles of food or drink, which might be spilled or fall upon the cleanest of floors during the course of a party, i.e. where there is much life. Commencing in the early part of 1960, "Wax" conceived of a T.V. commer-

cial in which a picture of beautiful and clean floors with lively activity thereon demonstrated to the housewife that this embarrassment or shame which she felt was pointless, because wherever there was life, there would still be bugs, and used the slogan "Where there's life, there's bugs," in the course of these commercials, in order to put over said point to the viewer. The one minute commercials pictured a party of people, dancing feet, pictured eating and drinking on extremely clean floors, to put over the message that however clean the floors, where there's life, there will be bugs, because the activities of life create food and drink on the floor for bugs, but that if Freewax had been used to shine these floors, the bugs would be destroyed by the insecticide in the Freewax (T. 236, 237). The drink or food being drunk or eaten, as shown in said films was not beer, or any special type of food, but was water and homemade cookies or hors d'oeuvres, and do not suggest beer or any type of drink or food, nor was the music being played of any special rhythm or composition, nor was there any special brand of dancing, said activities apparent in said picture merely portraying a background of enjoyable activities of life, the aftermath of which would leave on the floor food particles or liquids attractive to bugs, even though the floors be spic and span clean. The language of the television scripts of "Wax" appear on pages 337-341 of the record. Some of the commercials feature pictures of "Fernando," the hiding "bug." These films actually were played or shown to the trial and appellate courts. The so-called format is not fixed, but is simply an illustration of everyday life. Most of the commercials state in spoken words that Free-

wax originates with Chemical Corporation of America,[12] and, in addition, at the end of each of these films is a picture of an identical newly designed can of Freewax (T. 245), which the buyer finds on the store shelf, on the bottom of the two sides of which appears to every buyer, printed in red letters across a green painted flat faced wax can (not shaped like a round beer can), "A Product of Chemical Corporation of America, Freewax Division, Tallahassee, Florida." See, *Crescent Tool Co.* v. *Kilborn*, CCA 2, 247 Fed. 229, wherein the court rulued that the marks on its products made the source of origin clear. The "Wax" cans were put in evidence (T. 249). No mention of the word "Bud" or "Budweiser" appears in any of these films, and the word "Bugs" is stated so clearly that there can be no confusion in sound between the word "Bugs" and "Bud." The word "Bugs" is repeated 5, 4, and 8 times respectively in the one minute commercials (T. 337), and 2, 2, and 3 times respectively, in the twenty second commercials (T. 341), completely eliminating the possibility of confusion in sound between "Bugs" and "Bud." Each film also prints in large letters the slogan "Where there's life, there's Bugs" at about the time the said slogan is announced by the announcer, eliminating all chance that the word being used will be understood by a viewer as any word other than "Bugs." The front of the wax can pictured in said T.V. commercials shows to every T.V. viewer large white printed letters "Floor Wax That Kills Bugs *Too*," cinching to the listener and viewer that the word "Bugs" was used. The word "Freewax" appears

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[12] "Wax" would have no objection to putting its name and address as the maker of Freewax in every ad using said slogan, but respectfully submit there is no confusion as a matter of law which would cause the court to require it to be done.

at the top of said can in inch high printed letters, thereby associating the bugs with "Freewax," not beer. The word "Bugs" had been used by it for years consistently in its advertising (T. 207, 210). How could there be any confusion in sound as to whether the word "Bugs" rather than "Bud" is intended, when the written, spoken and visual background of these commercials is considered? The background of these commercials, concerning which the trial judge made no particular findings of fact, as the above facts show he should have, completely dissipates any thought of confusion between "Bugs" and "Bud," or of origin. Any finding of fact as to confusion of source from such user is unreasonable and clearly erroneous. The use of the slogan is truthful, and goes straight to the point it is intended to make, in order to assist in the sales of "Freewax," a highly beneficial and excellent product.

"Wax" contends that its commercial containing said slogan "Where there's life, there's bugs" is a truthful user of said slogan (T. 252), and that the user of the slogan "Where there's life, there's Bud," by "Beer," is not truthful in that Budweiser Beer is not found wherever there's life. "Beer" contends its slogans "Where there's life, there's Bud" and "Where there's life, there's Budweiser," were used to depict the role of beer in everybody's life, in that said slogans projected upon the public the theme of "real living, real outdoor living, America As It Is Today, real people, real conditions, real life," and were only used in connection with sales of said beer (T. 87), and further contended that it has a monopoly use of "Where there's life there's ." and that no other business should be permitted to use in its advertising that portion of said slogan, and that the use of the

word "bugs" in said blank space (see T. 296, 301) in which "Beer" used the word "Bud" confused the public into believing that Freewax was manufactured or sponsored in some manner by the company that made Budweiser Beer, and as a result diluted said slogan, and that "Wax" thereby appropriated to itself for the benefit of "Wax" the benefits of "Beer's" prior advertising of said slogan, at great expense to "Beer," under what is known as the "free ride" theory and alleged injury or damage to the good will of "Beer" therefrom. "Beer" freely admitted that there was no competition or confusion between it and "Wax" with respect to the products being sold by each, as did "Beer's" witnesses. The district judge found that the goods of "Wax" and "Beer" were not competitive (T. 791), and in the course of the trial ruled that there was no confusion in the public as to the products manufactured by each of the parties, i.e. no confusion between beer and floor wax as products (T. 294); that the only confusion was one of terminology, i.e. between "bugs" and "Bud" (T. 294, 314), i.e. the association of "Bugs" and "Bud" or "Budweiser" (T. 791).

The trial court found that in 1956 "Beer" commenced an advertising campaign, in the course of which its two slogans were used, and spent in excess of forty million dollars in this campaign, and advertised Budweiser Beer with said slogans and trademarks on radio stations, television, national billboards, newspapers and nationally circulated magazines, and that since 1956 its sales have increased and a great portion of the increase is attributable to the success of "Beer's" advertising; that the slogans were not affixed directly upon the bottles or the beer cans, nor upon the labels on the bottles or the cans, but were affixed to the packaging in which the cans or

bottles were carried, which sometimes bore one or more of these slogans, and which carriers cost "Beer" approximately nine million dollars; that "Beer" employed advertising surveys to determine whether the public was acquainted with its slogans, and whether the public associated the slogans with its product, and the results of these surveys showed that a substantial portion of the public was not only acquainted and familiar with the slogans, but also associated the slogans with Budweiser Beer (T. 788); that as a result of the wide dissemination of advertising employing these slogans, for the long period of which "Beer" had used these slogans in advertising its product, the public did, in fact, know the slogans, associated the slogans with the products, and associated "Beer" as the source of the advertising. We merely point out that the last finding of fact is clearly erroneous because the surveys only tended to show that the slogans were identified with Budweiser Beer (T. 491, 501, 516, 524), and not the slogan with Anheuser-Busch, Inc. The trial court found that "Wax" ran its television commercial on July 7, 1960 in Tallahassee, Florida — Thomasville, Georgia area, and that from watching the filmstrips of "Wax" that "Wax's" use of the slogan was confusingly similar to "Beer's," which was not to say that the tunes or the words in the advertising were exactly the same, but from the rhythm, meter and the pictures which appeared at the time the slogan was used, when taken as a whole, created the impression that "Wax's" advertising had some connection with "Beer" or "Beer's" product; that some of "Wax's" filmstrips showed drinking glasses being filled,[13] people dancing, and a simultaneous use of

[13] The trial court overlooked that it is water being poured into glasses from a water pitcher, an absolutely colorless liquid, which could not possibly be confused with beer of any type.

the slogan "Where there's life . . . there's bugs," and that the films of "Wax" followed a format which "Beer" had employed for some four years, and that the advertising of "Wax" is deceptively similar, so as to confuse the advertising of "Beer" and "Wax," with result "that the value and effectiveness of plaintiff's prior advertising is impaired to some extent by the deceptively similar phraseology and treatment employed by defendant in its advertising, which, unless enjoined, creates a sufficient likelihood of damage to the plaintiff, despite the fact that the court finds no recompensable damages were incurred by the plaintiff"; that since the goods of "Beer" and "Wax" are sold at the same retail outlets "the association of bugs with Bud or Budweiser is sufficient to merit the apprehension that the ill repute of one type of goods is likely to be visited upon the other." The court will notice that there is no finding that the word "bugs" will be used or was used in such manner as to make it sound like "Bud." The finding substantially means that when a viewer of the television commercial of "Wax" hears the slogan "Where there's life, there's bugs" there comes to his mind the fact that "Beer" has used the slogan "Where there's life, there's Bud," and for this reason the viewer will reason or guess or in some way be stimulated to believe "that defendant's advertising had some connection" with the product of "Beer" (T. 791), and that the ill repute of "Wax's" goods would likely be visited upon the goods of "Beer," although the admission of "Beer" is that Freewax is an excellent product (T. 176, 630). The significance of the trial court's findings of fact should not be lost on this Court. We point out that the significance of its findings of fact is that the appearance of the advertisement, taken as a

whole, created the impression "that defendant's advertising had some connection with the plaintiff or plaintiff's product," with the result "that the advertising of defendant is deceptively similar, so as to confuse the advertising of plaintiff and defendant." Its finding that the ill repute of one type of goods is likely to be visited upon the other is not clear in that it does not find whether the ill repute of Budweiser is visited upon Freewax, or that of Freewax is visited upon Budweiser. This apprehension is caused by the association of "Bugs" with "Bud" or "Budweiser." Upon analysis, the court does not state whether or not a customer coming in a retail store, where each product is sold, would refuse to buy Budweiser, because Budweiser has become associated with "bugs" through the advertisement of "Wax," or whether the customer would refuse to buy Freewax, because it is made by the same company that makes Budweiser. The slogan of "Wax" did not appear on its can. Certainly, the conclusion that the customer would refuse to buy Budweiser, because "Beer" also makes Freewax, would have no sense to it. The latter would mean solely that "Beer" has expanded in the field of making a floor wax with an insecticide in it. It had never been in the wax business (T. 198). That fact would no affect any purchaser in buying or not buying beer. The finding of the trial court clearly meant that the word "Bugs" and the word "Bud" would be kept distinct in the mind of the customer, but because the word "Bugs" was used in the slogan where the word "Bud" had been used by "Beer," it must be that "Beer" was making Freewax. Yet, most of said scripts, and the pictures of the Freewax can in each of the scripts showed clearly in said pictures that Freewax is made by Chemical

Corporation of America. The trial court made no findings of fact whatsoever as to what identity of source or origin was contained in said television scripts. Its findings of fact with respect to said confusion of advertising, which was the only confusion it found, and its other findings of fact pointed out above, were clearly erroneous in that the evidence did not support the findings, said commercials clearly showing the source and origin of Freewax. We must point out again that "Beer" never introduced in evidence its own films of its T.V. commercials, which would be the only source from which the trial court could determine the rhythm, meter and pictures which appeared at the time the slogan was used in the beer commercials, without which it had no possibility of comparing said rhythm, meter and pictures with the same in the wax commercials. There is no finding of fact by the trial judge that there was a peculiarly unwholesome association of ideas when the word "Bugs" was substituted in the slogan for the word "Bud," as reasoned in the opinion of the Court of Appeals (T. 816, Appendix "B" p. 50a herein), nor that the use by "Wax" of said deceptively similar slogan will bring direct financial loss to "Beer," by reason of confusing the source of "Wax's" product, and by reason of the peculiarly unwholesome association of ideas when the word "Bugs" was substituted in the slogan for the word "Bud" referring to a food product, as the Court of Appeals ruled (T. 816). The only confusion found by the trial court was a confusion of the advertising of "Beer" and "Wax," so as to impair the value of "Beer's" prior advertising. The District Judge stated no one is going to confuse bugs with beer in the sense they don't know the difference between bugs and beer (T. 312). "Wax" contends that

the Court of Appeals built up in its opinion a different type of cause of action from any which could be based upon the findings of fact by the trial judge.

The contentions of "Beer" as set forth in its pleaded petition are that its two slogans denote to the purchasing public at large products originating with "Beer," and each has acquired a secondary meaning for the public for denoting products which originate with "Beer," as well as "Beer" itself (T. 2, 3); that "the consuming public recognizes said slogan and trademark as identifying products originating with plaintiff and no one else" (T. 4); that the use of the words "Where there's life, there's Bugs", "is a direct infringement of plaintiff's slogan and trademark and the use thereof is likely to cause and will cause confusion and mistake between the products[14] of plaintiff and defendant resulting in deception to the purchaser." (underlining ours); that "the use of said phrase by defendant is calculated and likely to and will dilute the good will created by plaintiff for its products as a result of plaintiff's slogan and trademark, and said continued use will impair the distinctiveness of said slogan and trademark as an identification of origin with plaintiff."; that "defendant, in promoting and selling its products in such an unlawful manner, calculates and is likely to and will have the effect of diluting, degrading and disparaging the products of plaintiff and will destroy the advertising theme and promotional efforts which plaintiff has built up over the years with the public as an identifying slogan and trade-

[14] Counsel for "Beer" agreed with the court that no one will confuse bugs with beer in the sense they don't know the difference between bugs and beer. See petitioner's comment in its motion for rehearing on the association of bugs and beer (T. 856).

mark for plaintiff's products." (T. 5); that no figures are set forth in the petition, or any amendment thereto, setting forth the amount in dollars of (1) the dilution to the good will created by the use of "Wax" of said slogan, or the impairment of the distinctiveness of said slogans of "Beer" as an identification of origin with "Beer," nor the amount of dilution, degrading and disparaging of the products of plaintiff, nor the amount of damage to the advertising theme and promotional efforts which plaintiff has built up over the years with the public as an identifying slogan and trademark for plaintiff's products. [In Paragraph 13, when "Beer" alleges that it has notified "Wax" of its rights and requested it to desist from said *trademark infringement and unfair competition*, it is referring to its trademarks alleged in its petition, i.e. trademarks "Bud," "Budweiser" or "Budweiser and design," as alleged in paragraph 6 thereof, which were trademarks having no bearing on this case, because "Wax" never used the words "Bud," "Budweiser," or "Budweiser and design," and no infringement thereof was found by the trial court (T. 792), as was done in *Anheuser-Busch v. Budweiser Malt Products*, 295 Fed. 306 (CCA 2, 1923)]. The trial court further found that "the registered words 'Bud' and 'Budweiser' here were not themselves assaulted by defendant" (T. 793). These alleged registered trademarks as pleaded in paragraph 6 thereof were ignored by the Court of Appeals entirely in its opinion. This Court will recognize said allegations for what they were, a sham effort to place jurisdiction under the Lanham Act rather than upon diversity of citizenship, as has been pointed out and up in the assignments of error. Said petition contained only one allegation that the alleged acts of

"Wax" will destroy any asset of "Beer," i.e." destroy the advertising theme and promotional efforts which plaintiff has built up over the years with the public as an identifying slogan and trademark for plaintiff's products." It necessarily follows that the amount of dilution of "Beer's" entire good will, if any, could only be partial, and not total, and that the amount of impairment thereof, could only be partial, and not total, because of the various other brands and intangibles going to make up its entire good will. In its prayer, "Beer" prayed for an accounting and treble damages, and alleged that said infringements were willful and wanton (T. 7), but later amended its prayer after the interlocutory hearing to request only actual damages "because it knowingly infringed upon plaintiff's slogan and trademark" (T. 345). Its original prayer for damages and its amended prayer, from the language therein, appeared based upon provisions of the Lanham Act rather than the common law (see 15 U.S.C., § 1114, 1117 for identical language).

The use of semantics by each of the District and Appellate Courts in deciding this case, particularly by the Court of Appeals, for example, when it labelled the use of the slogan "Where there's life, there's Bugs" by "Wax" "a brazen and cheap effort . . . to capitalize on the good will created by the tremendous expenditure in advertising by the plaintiff." (T. 819), compels us to request the Justices of this Court to dispel such method in considering this case. The undisputed evidence showed (1) Petitioner and Respondent were not competitors, and there is no evidence that "Wax" was palming off its floor wax as the product of "Beer", and (2) the truthful slogan of "Wax" "Where there's life, there's Bugs" told the truth and is merely descriptive of a physical condition

of premises which "Wax's" product cures (T. 57); whereas each of the slogans of "Beer" is not the truth in that Budweiser or any other beer is not always found in every home, i.e. where there is life; that this Supreme Court has sustained decrees denying injunctions ". . . where the prescribed labels told the truth. Mr. Justice Holmes stated, 'A trade mark only gives the right to prohibit the use of it so far as to protect the owner's good will against the sale of another's product as his . . . . When the mark is used in a way that does not deceive the public we see no such sanctity in the word as to prevent its being used to tell the truth.[15] It is not taboo'." *Champion Plug Co.* v. *Sanders*, 331 U. S. 125 at 129; *Prestonettes Inc.* v. *Coty*, 264 U. S. 359; *Elgin Nat'l. Watch Co.* v. *Illinois Watch Co.*, 179 U. S. 665, in which last cited case this Court said, ". . . it follows that no sign or form of words can be appropriated as a valid trade mark which, from the nature of the fact conveyed by its primary meaning, others may employ with equal truth and with equal right for the same purpose."

*Accord, Ex parte America Enka Corp.*, 81 U. S. P. Q. 476, June 1, 1949, in which the court said: "While it has never been questioned but that a plurality of words might function as a trade mark, it must be noted that both historically and by common understanding, overlong phrases, sentences or clauses describing goods, have been regarded as advertisements rather than trade marks.

"Somewhere between the few words ordinarily included in a trade mark and a number of words included

[15]Also see his similar remarks in *Chadwick v. Covell*, 151 Mass. 190, 193, 23 N.E. 1068 (1890)

in a historical novel a line must be drawn. Mere advertising language or features, even if attached to goods, cannot be considered to be trade marks since they are or would be just as applicable to the similar products of any manufacturer and therefore cannot serve to identify the goods of one person or distinguish them from those of others."

Each of the foregoing quotes are material on our assignments of error alleging error in holding said "Beer" slogans to be trademarks, both unregistered and registered, and holding that the use of the trade slogan "Where there's life, there's Bud" gave a property interest to the beer company in the words "Where there's life, there's.....", so that no other company could use these common words and fill in the blank space with a truthful word, such as "bugs", and, in effect, giving to "Beer" a property interest in said blank space.[16]

The original complaint was filed July 12, 1960, praying for temporary and permanent injunctions and damages from the use by "Wax" of the trade slogan "Where there's life, there's Bugs" or "any deceptively similar words or slogan in connection with the sale of its product", and to deliver up for destruction all advertising material using said slogan (T. 6). The preliminary hearing ended in an injunction dated July 21, 1960, which recited "that plaintiff will suffer immediate and

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[16] See *International Heating Co. v. Oliver Oil Gas Burner & Mach. Co.*, 288 Fed. 708, cert. den. November 26, 1923, 263 U. S. 714, in which, in a case between competitors, the 8th Circuit Court of Appeals stated: "No sensible person acquainted with plaintiff's advertisements would believe that the defendant company was advertising and selling plaintiff's burner. *Standard Paint Co. v. Trinidad Asphalt Co.*, 220 U. S. 446; *Howe Scale Co. v. Wyckoff, Seamans & Benedict*, 198 U. S. 118, 25 S. Ct. 609; *Goodyear's India Rubber Glove Mfg. Co. v. Goodyear Rubber Co.*, 128 U. S. 598; *Dare v. Foy*, 180 Iowa, 1156, 164 N.W. 179."

irreparable injury, loss and damage by reason of loss in sales and profits from its products; that plaintiff will have its slogan and trademark 'Where there's life . . . there's Bud', diluted and impaired; that the public will be confused as to the nature, identity and as to sponsorship of the respective products of defendant and plaintiff, all by reason of defendant's use and threatened continued use of the words 'Where there's life . . . there's Bugs' on a product, namely floor wax with an insecticide therein" (T. 9, 10). Thereafter, "Beer" amended its prayer on July 26, 1960 to seek actual damages only (T. 345). "Wax" filed its answer on July 27, 1960 (T. 327), the prayer of which asked that the complaint be dismissed and the temporary injunction theretofore entered be dismissed (T. 337). In its findings of fact, the District Court found "There is sufficient likelihood of damage to plaintiff, despite the fact that the Court finds no recompensable damages were incurred by plaintiff" (T. 791). In its order of permanent injunction filed March 24, 1961, there is no further finding of fact, but it was adjudged that the plaintiff "was entitled to no damages nor attorney's fees" (T. 769). We have copied the order of the trial court hereinafter as well as the opinion of the Court of Appeals. (See Index) The evidence is summarized, infra "Summary of Evidence" (See Index). and shows that the only claimed proof of damage money wise, which petitioner herein denies is a legal proof of damages or amount or value in controversy in this case. was the proof of the ever-increasing amount of sales plus the thousands and millions spent in advertising campaigns, to advertise respondent's products, in a portion of which respondent's said slogans were used. To establish the fact of damage, opinions of officers of respondent

advertising agents, a college professor of advertising, and a magazine publisher were given in opinionated language stating that the good will of respondent built up by the use of its said two slogans would be damaged, and its sales of its products adversely affected.

No proof of loss of sales or customers because of the use of the said slogan by petitioner herein was shown. The absence of said element in an action for common law unfair competition, which "Wax" contends is the only possible type of cause of action in this case is controlling, if this Court rules, as "Wax" contends, that there is no jurisdiction under the Lanham Act. See, *Maytag Co.* v. *Meadows Mfg. Co.* (CCA 9, 1930), 45 F. 2d 299, cert. den., 283 U. S. 843, 75 L. ed. 1542, 51 S. Ct. 489 (1931); *Lucien LeLong* v. *Landers Co.* (CCA 2), 164 F. 2d 395, 397; *Best & Co.* v. *Miller* (CCA 2), 167 F. 2d 374. It may be that in the absence of such proof, nominal damages only could or should be awarded. See, *Landerman* v. *Beyerle*, 324 Ill. App. 116, 57 N. E. 2d 518, in which case the plaintiff proved a reduction in gross receipts, but not the percentage that normally represented profits, and did not disclose names and numbers of customers who were enticed away from plaintiff, the court upholding an award of nominal damages. The lower courts in this case holding that plaintiff suffered no recompensable damages, and other courts holding that nominal damages might be awarded, and other courts, including Florida courts, holding that damages in this type of case are not subject to computation, answer the serious jurisdictional question under diversity of citizenship, as to whether or not there is adequate proof as to the amount or value in controversy being in excess of $10,000.00. Many of our assignments of error concern this very ques-

tion, although the ruling of the Circuit Court that jurisdiction under the Lanham Act must first be corrected. "Wax" contends that this case is governed by *KVOS, Inc.* v. *Assoc. Press,* 299 U. S. 269, and *McNutt* v. *General Motors Acceptance Corp.*, 298 U. S. 178, as to the lack of jurisdiction in the trial court, because of absence of proof of the jurisdictional amount or value in controversy, other lower courts holding that said amount is established by proof of the amount spent or invested in its advertising the slogan, or the value of its entire good will, in that "Beer" must present some proof showing that the amount of damage to its good will money-wise is in excess of $10,000.00, whereas "Beer" contends that its proof of the amount spent in advertising said slogans, which it contends the records shows to be in excess of $10,000.00, is sufficient proof of the amount or value in controversy. The lower federal courts are widely split on this matter, some of said courts ruling that if the common law cause of action for unfair competition arises out of or affects interstate commerce, the Lanham Act applies, regardless of the amount in controversy, which would confine common law unfair competition to intrastate cases in which the unfair competition did not affect interstate commerce. Samples of these various cases are listed in each assignment of error. This momentous question, still undecided by this Court, is presented by this record, and this Court should take the opportunity to render a controlling adjudication concerning said matter of diversity jurisdiction of the federal courts.

Our assignments of error will demonstrate that there was no common law cause of action for unfair competition upholding the doctrine of dilution, or the doctrine of the "free ride" theory, or non-competitive unjust en-

richment, with respect to "Beer's" advertising, which is a theory rampant in the lower federal courts, but discredited in many thereof, and that the Florida courts have never established such a common law doctrine in the case of non-competing goods, the Florida courts ruling that common law unfair competition arises only as between competitors, in which defendant competitor has palmed off or is seeking to palm off his goods or business as the goods or business of the plaintiff through some unfair means of competition, and that the District Court and Court of Appeals in this case should have recognized such fundamental principles rather than to breathe into the Florida common law their own conception that a court of equity could develop its own notion of what the Florida common law ought to be, thereby obviating the necessity of proof of palming off and damages, and, in effect, by judicial fiat doing to Florida common law what the Congress has never done through the Trademark Acts of 1905, 1920 or 1946. See our assignments of error, alleging the absence of a cause of action, based either upon the findings of fact of the trial judge or the undisputed evidence, or assignments of error alleging that certain findings of fact were clearly erroneous, which raised the important question as to the limitations upon the power of a District Court in a common law unfair competition case which this Court has held to be governed by the law of the state where the case is being tried, i.e. Florida. Many conflicting decisions of the lower federal courts have expounded various philosophies concerning the origin and growth of said alleged common law cause of action, not only in dilution cases, but also in cases involving pendent jurisdiction under the Lanham Act. Where the lower court

admits there is no precedent in Florida to guide it, and the Court of Appeals indulges in strained constructions of the Supreme Court cases of said state to determine the existence thereof, this Court should require that the matter be referred back to the Florida Supreme Court for determination of the existence of such an alleged cause of action under Florida common law. Assignments of error with respect to this fundamental contention are made herein, enabling this Court to direct lower courts as to their duty.

The relationship between the doctrine of the "free ride" theory and the decision of this Court in *International News Serv.* v. *Assoc. Press*, 248 U. S. 215, should be set to rest by this Court. Said case of this Court is oftentimes referred to as the basis for the "free ride" theory of cause of action and of the doctrine of dilution. *R. C. A.* v. *Whiteman*, 114 F. 2d 86; *Triangle Publications* v. *Rohrlich*, 167 F. 2d 969; *Cheney Bros.* v. *Doris Silk Corp.*, 35 F. 2d 279; *National Fruit Prod. Co.* v. *Dwinell-Wright Co.*, 47 F. Supp. 499 (the famous case in which Judge Wyzanski deflates the "free ride" theory). The "free ride" theory analogizes a case between non-competitors where the acts of the defendant are alleged to damage the good will of the plaintiff, to a simple common law conversion action, on the theory that the defendant converts a portion of said good will to its own use. As Judge Frank pointed out in his dissent in *Triangle Publications* v. *Rohrlich*, supra, at p. 978: "Indeed, a 'free ride' without more, is in line with the theory of competition. As Brandeis J. said in *Kellogg Co.* v. *National Bis. Co.*, 305 U. S. 111, 'Sharing the good will of an article unprotected by patent or trademark is the exercise of a right possessed by all — and in the free

exercise of which the consuming public is deeply interested.' As we said (per L. Hand) in *S. J. Johnson & Son v. Johnson*, CCA 2, 116 F. 2d 427, 429: 'There is always the danger that we may be merely granting a monopoly based on the notion that by advertising one can obtain some property in a name. We are nearly sure to go astray in any phase of the whole subject, as soon as we lose sight of the underlying principle that the wrong involved is diverting trade from the first user by misleading customers who mean to deal with him.' ", citing *Kann v. Diamond Steel*, 89 Fed. 706, 712 (CCA 8); *McLean v. Fleming*, 96 U. S. 245, 256; *N. K. Fairbanks Co. v. R. W. Bell Mfg. Co.*, 77 Fed. 869, 876; *Allen B. Wrisley v. Iowa Soap Co.*, 122 Fed. 796, 797 (CCA 8); *U. S. Tobacco Co. v. McGreevey*, 144 Fed. 531, 534; *C. F. Gorf Girls Frocks v. Princess Pat Lingerie*, 73 F. Supp. 364.

The "free ride" theory is often referred to as a cause of action based upon non-competitive unjust enrichment, based upon an interpretation of the opinion of this Court in *International News Serv. v. Assoc. Press*, supra. Most lower federal courts have held that the principles of said case are confined to facts of said case: *National Comics Publications, Inc. v. Fawcett Publications, Inc.*, 191 F. 2d 594; *G. Ricordi & Co. v. Haendler*, 194 F. 2d 914; *Pagliero v. Wallace China Co.*, 198 F. 2d 339; *Continental Gas Co. v. Beardsley*, 151 F. Supp. 28, modified in other respects, 253 F. 2d 702; *United Merchants & Mfrs., Inc. v. Bromley Fabrics, Inc.*, 3 Misc. 2d 179, 148 N. Y. S. 2d 22.

A query has been made as to whether or not this Court has abandoned *International News Serv. v. Assoc. Press*,

supra,[17] in *Moseler Safe Co.* v. *Ely Norris Safe Co.*, 273 U. S. 132. Also see *Saxlehner* v. *Eisner & Mendelson*, 179 U. S. 19, 36, revg. 91 Fed. 536.

Our assignments of error concerning the alleged cause of action based upon the alleged doctrine of confusion are clarified by the history of the doctrine of dilution and confusion. It was originally contended for by Frank I. Schechter, whose article "The Rational Basis of Trade Mark Protection", 40 Harv. L. Rev. 813 (1927), first suggested that the doctrine of dilution be incorporated into the common law of the states and of the federal courts. In order to accept this doctrine, the courts have laid away on the shelf the fundamental doctrine that in a common law cause of action for unfair competition the defendant is liable only where he, as a competitor, diverts from plaintiff sales which plaintiff would otherwise make in a competitive market, the palming off doctrine being the basis of common law unfair competition. Common law trademarks never had an exclusiveness in their nature, but were open to user by anyone, unless the defendant copies same for the fraudulent purpose of selling his goods as the goods of the plaintiff. Many of the lower courts have ruled this common law concept of palming off in a competitive market "old-fashioned" and the "modern" concept is expressed by the doctrine of dilution, which gives to a non-competitor the right to enjoin and render the defendant liable for injunction and damages for injury to plaintiff's good will where the defendant uses a similar or similarly deceptive trade-

[17]See, *KVOS v. Associated Press*, 299 U. S. 269, in which this Court strongly inferred that had the jurisdictional question been raised in said case the case would have been dismissed for want thereof.

mark in a non-competitive market. Semantics are given a heavy play by the use of the phrase "gradual whittling away of petitioner's trademark," a phrase used by the trial judge and the Court of Appeals in this case (T. 797, 819), and that "The court makes no fetish of competition". It has been demonstrated that the doctrine of dilution was imported by Schechter from Germany, has no common law background, and is based on a German statute. See Wolff "Non-Competing Goods in Trade Mark Law", 37 Cal. L. Rev. 582 (1937). Such doctrine has been seized upon by the richer corporations as a tool to create a monopoly, a rather easy goal when the common law standard of palming off is abandoned. True dilution exists only under anti-dilution statutes, such as that in Ga. Laws 1955, pp. 453, 454 (106 Ga. Code Ann. 115), because such statutes expressly state that such cause of action exists, notwithstanding the absence of competition between the parties or confusion as to the source of goods or services. Before his death, Schechter tried for years to have the doctrine of dilution written into a federal trademark statute, and even drafted a bill of his own, known as the "Perkins Bill" in 1932, but his bill retained the additional element of confusion. Congress never enacted this law and has never accepted and has never drafted any bill expressly incorporating the doctrine of dilution. See, "The Problem of Trade Mark Dilution and the Anti-dilution Statutes" by Walter J. Derenberg, Professor of Law, New York University Law School and attorney for the Commissioner of Patents, 44 Cal. L. Rev., at 449. Nor was said cause of action ever considered to be incorporated in the Lanham Act during the many years it was under consideration, although the Committee of Congress urging the enact-

ment of the Lanham Act expressly asserted its right to change the substantive law of trademarks in interstate commerce or affecting interstate commerce. See, U. S. Cong. Serv. 1946, pp. 1274-1275. Also said Committee, in urging the enactment of the Lanham Act, made the statement that the essence of the wrong involved consisted of the sale of the goods of one manufacturer or vendor for those of another. Great reliance is shown by the opinion of the Circuit Court in this case in the cliche "the gist of the action is customer confusion." It was used to demonstrate that the gist of the action was not palming off, but rather any type of confusion of the public even as between non-competitors, in the instance of which palming off did not and could not exist. Once a court has accepted the concept that the essence of common law unfair competition was not palming off, but rather customer confusion, it then places its decision on its own sense of unfairness and decency, as did the Court of Appeals in this case. It forgets that the doctrine of palming off is the bridle upon the common law to confine customer confusion within that field of the common law involving competition, so as to avoid monopoly. Naturally, if no competition is involved, and rights to enjoin and endanger non-competitors are granted, monopolies are begun. That the plaintiff in this case is not devoid of monopolistic tendencies is demonstrated in the recent decision of this Court in *Federal Trade Commission* v. *Anheuser-Busch, Inc.*, 363 U. S. 536. The federal cases cited by both the District and the Circuit Court do not involve common law unfair competition, but unfair competition under the *federal common law* or under the Lanham Act, in some of which cases pendent jurisdiction existed because the plaintiff was suing on a violation of

a trademark registration under said Act. Left to pick and choose federal precedents in order to establish its conception of what the Florida Supreme Court should rule, each lower court used precedents from those federal circuits approving the doctrine of dilution, rather than those disapproving same, as for instance, those of the Second Circuit, where said doctrine has been given little weight. See *Avon Shoe Co.* v. *David Crystal, Inc.*, 171 F. Supp. 293, affd. 279 F. 2d 607, cert. den. 364 U. S. 909. Yet we are satisfied that more sales are made in said Circuit under more trade names and trademarks than in any other place in the world or circuit in our federal judicial system. Each court should have known that in Florida there was no clear controlling precedent, and that there were contradictory rulings in other circuits. The cases so cited were not persuasive to demonstrate that the common law of Florida upholds the doctrine of dilution.

Section 16 of the Trademark Act of 1905 (U. S. C. 1938, Title 15, Sec. 96), by express provision limited trademark infringement to merchandise of the same kind or of substantially the same descriptive properties as those set forth in the registration. Thus, federal courts were limited to cases involving merchandise of the same class, related goods, or goods having the same descriptive properties. Under this Act, said courts held the following goods not to be of the same class, related, or having the same descriptive properties: "salted, smoked and canned fish and crackers and breakfast cereals; hydrogen peroxide and soft drinks; hair pins and hooks and eyes; beer products and ice cream cones; breakfast foods and candy; cereal beverages and fruit beverages; portable, ready-cut buildings and building construction materials;

hair and scalp preparations, and hair nets or hair curlers"; the case holding that hydrogen peroxide and soft drinks are not goods of the same descriptive properties, i.e. *Consumer's Co.* v. *Hydrox Chem. Co.*, 40 App. D. C. 284, is very similar to our case in that floor wax with an insecticide therein should not be held to be goods of similar class with alcoholic beer. In cases where the goods were not of a similar class, confusion was impossible as a matter of law. Consequently, confusion could not be relied upon to establish an infringement, as was done in the instant case. In the Lanham Act of 1946, said provision with respect to "goods of the same descriptive properties" was omitted and the language was changed to make any person liable, who in commerce shall use "any colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising for any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source or origin of such goods or services." 15 U. S. C. A. §1114 (1). For the first time, "advertising" is expressly included in a federal statute. Many federal courts have construed the absence of the phrase "goods of the same descriptive properties", and the presence of the phrase "likely to cause confusion or mistake or to deceive purchasers as to the source or origin" as turning the courts loose to establish the doctrine of dilution under the Lanham Act, which the history of federal trademark law shows was not the intention of the Lanham Act. Other courts have pointed to the elimination of the phrase "goods of the same or similar descriptive properties" to restrict the powers of the federal courts from the broad powers had under the 1905 Act. See, *California Fruit*

*Growers Ex.* v. *Sunkist Baking Co.*, 166 F. 2d 971 (CAA 7 1947). Furthermore, as was pointed out by District Judge Bonsal in *Jean Patou, Inc.* v. *Jacqueline Cochran, Inc.*, 201 F. Supp. 861, at 867: "It may also be argued that the Lanham Act rejected the dilution doctrine as a basis of relief in trademark cases in that the trademark owner must prove likelihood of confusion in order to recover under 15 U. S. C. A. §1114(1). True dilution cases are not based upon confusion, but as has been shown by Walter Derenberg in his article 'The Problem of Trade Mark Dilution and Anti-Dilution Statutes,' 44 Cal. L. Rev. 448 (1956): 'That even in those relatively few cases in which our courts have resorted to the dilution concept for the purpose of granting protection against use of a famous name on completely dissimilar products, they still found it necessary to justify the granting of relief by finding some semblance of "confusion".'" George Middleton was quoted by Mr. Derenberg as follows: "The courts generally have not regarded dilution as a common law tort in its own right, although they have occasionally used it as a makeweight in cases where confusion or its likelihood was the *ratio decidendi*. So far as I know, no case has turned on dilution alone." With this conclusion of Middleton, Mr. Derenberg agreed, but did not agree with Middleton that dilution in the last analysis is a non-statutory form of patent or copyright infringement and as such has no legal sanction, but agreed with Middleton that "since we must admit that our federal trademark statutes fall short of giving recognition to this concept, it is doubly significant that a step in this direction was taken by the four states which have thus far adopted anti-dilution legislation." We respectfully submit that the lower courts in

this case have by judicial fiat legislated into the common law of Florida the concept of dilution on the theory that same is an alleged modern concept of the common law of unfair competition, which is based upon the courts' sense of fairness, regardless of the other fundamentals of said common law, which this and other courts have held must be present in order to make such cause of action. "Wax" contends that if the Florida Supreme Court determines such a cause of action exists under its common law, it would be inclined to accept the rulings of the two lower courts in this case, and it should be entitled to such rulings by the Florida court because each of the parties had agreed that the case was governed by the common law of Florida until the Circuit Court in this case, without citing a precedent, or making its reason clear, placed jurisdiction in this case under the Lanham Act, thereby erroneously making the federal law the basis with respect to said cause of action, and the likelihood of confusion only the test or standard upon which to base an injunction (although "Wax" denied that there are facts to sustain a likelihood of confusion in this case).

The foregoing makes it imperative for us to demonstrate that the Circuit Court was erroneous in ruling that the federal courts had jurisdiction in this case under the Lanham Act, as we have urged in our assignments of error. In the first place, the Circuit Court misread the record when it stated that "the registration acquired approximately a month before the trial on the merits of the temporary injunction." In fact, the registration under the Lanham Act was applied for by "Beer" after the suit was filed and obtained after the trial on the merits on the temporary injunction, but approximately a month

before the final trial on the merits. Injunctive relief had been granted by the trial court before "Beer" applied for the registration, at a time when the trial court had ruled jurisdiction was based on diversity of citizenship. The Circuit Court used as an equitable principle in making its decision that jurisdiction under the Lanham Act did exist, the doctrine that "an equity court, in considering injunctive relief, views the case as of the time of granting of the relief" (T. 820), and that the threat of infringement in the future, under the Lanham Act, could be the basis of an injunction, said court ending with the statement: "Certainly it would not be necessary for the plaintiff, in such case, to wait until actual infringement had occurred before bringing the action to enjoin." (T. 821). These rules overlook the basic principles that, while an equity court may look at the facts as they exist at the time of the granting of an injunction, in a case in which it has jurisdiction from the beginning, because the rule of the federal courts is that jurisdiction is decided upon the facts as they exist at the time the suit is filed, and that neither Rule 15 of the Federal Rules of Civil Procedure, nor 28 U. S. C. A. §1653 give to Petitioner the right to same by adding a new cause of action to petition already incurably defective, which did not exist at the time the suit was filed, i.e., because said registration was effected four months after this suit was filed. If the ruling of the Circuit Court is upheld, the financially weaker defendant in a federal court case based on diversity of citizenship, will be delayed and belayed with applications for registration under the Lanham Act filed shortly before the case comes to trial, and force upon the defendant ultimately at the final trial the defense of a different type of cause of action, needing

different evidence and law from the cause of action originally pleaded. The Circuit Court used a principle of law, applicable to the merits of an equity case,[18] in order to convert the ground of jurisdiction of a common law cause of action originally dependent for jurisdiction upon diversity of citizenship and proof of amount or value in controversy in excess of $10,000.00 into a pendent cause of action under the provisions of 28 U. S. C. 1338 (b). This extremely important point, now governing all litigation in the Fifth Circuit, is sufficient ground in itself for the granting of this Petition for Certiorari. If jurisdiction does not exist under the Lanham Act, and this Court agrees with "Wax" that jurisdiction does not exist under diversity of citizenship, because of absence of allegations and proof of sufficient amount or value in controversy, and because of a mere colorable common law cause of action, then this Court should do complete justice by entering an order directing both the Circuit Court of Appeals and the District Court to dismiss this case for want of jurisdiction of the subject matter, and grant such ancillary relief thereto as may be proper. See, *Northwestern Fuel Co.* v. *Brock*, 139 U. S. 216.

The trial court in this case finding no Florida cases upholding the causes of action ruled upon, expressly had recourse to federal cases and general digests and encyclopedias such as *Am. Jur.* (T. 793) to determine the common law of Florida and upheld a cause of action at Florida common law for unfair competition, based upon said doctrine of unjust enrichment and dilution. The former is based upon said International News Serv. case, and the latter upon a conception of law imported from

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[18] "Facts, as they exist at time of trial, are the decisive factors, upon which the decision is based although this does not preclude

Germany.[19] Each abandoned the classical common law doctrines of unfair competition based upon an alleged common law trademark infringement, in which the Florida court and this Court hold (1) that a common law trademark or trade name is not exclusive in its nature, but may be used by any other person, provided it is not used to take away trade or business of the plaintiff, (2) that the damages contemplated are damages from loss of sales, to which other types of damages accrue, provided that there are loss of sales, and (3) the acts of the defendant must be fraudulent in the sense that his acts show his intention to sell his product as the product of his competitor plaintiff, and thereby deprive the plaintiff of sales which he otherwise would have.

If this Court does not dismiss this case for lack of jurisdiction of the subject matter, because there exists in the record no proof whatsoever of the amount or value in controversy, or, if this Court, finding that there is jurisdiction in the federal courts in this case, does not refer the question as to the nature of the alleged cause of action back to the Florida Supreme Court for determination, this Court should adjudicate the question as to whether or not such types of causes of action, as one based on the doctrine of dilution, and the "free ride" or unjust enrichment theory, exist under the Florida law in this case. Our assignments of error make these fundamental questions.

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consideration of future developments." *DuPont Cellophane Co. v. Wax Products Co.*, 85 F. 2d 75, 77 (CCA 2, 1936), modifying 6 F. Supp. 859 (1934), cert. den. 299 U. S. 601.

[19]See Frank L. Schechter, *The Rational Basis of Trademark Protection*, 40 Harv. L. Rev. 813 (1927).

## (i) SUBSECTION (i) OF PARAGRAPH 1, RULE 23 OF THIS COURT

There is attached to this petition as Appendix "B" the opinion delivered by the Circuit Court of Appeals for the Fifth Circuit, various rulings in which and the judgment pursuant to which are sought here to be reviewed. Copies of said judgments are also attached hereto, the Circuit Court of Appeals judgment being Appendix "C", and the judgment denying the Motion for Rehearing, the Motion to Set Aside the Judgment of the Trial Court and the Appellate Court and Motion to Certify Adjudication of Certain Questions by the Supreme Court of Florida is attached hereto, and marked Appendix "D".

Petitioner alleges that it is necessary to refer to the District Court's opinion, including the Court's conclusions of fact and law, which incorporate the court's preliminary injunction order, and for that reason same is attached hereto and marked Appendix "A".

## (j) SUBSECTION (j) OF PARAGRAPH 1 OF RULE 23 OF THIS COURT

Subsection (j) of Paragraph 1 of Rule 23 is not applicable to this petition in that this case does not involve a review of a judgment of a state court.

WHEREFORE, PETITIONER HEREIN, CHEMICAL CORPORATION OF AMERICA, respectfully prays that its Petition for Writ of Certiorari to review the judgment of the United States Court of Appeals for the Fifth Circuit, to review the alleged errors in the District and Circuit Courts in the above styled case, as herein alleged, and to review the judgment of said Court of Appeals

overruling the Motion for Rehearing, the Motion to Set Aside said Judgments for Lack of Jurisdiction of the Subject Matter, and the Motion to Refer Certain Questions of Law to the Supreme Court of Florida for determination be granted; and, prays the said judgment dated November 19, 1962, of said Circuit Court (without opinion thereon), overruling said motions, be reversed; that upon granting the writ of certiorari in this case, and upon full determination thereof, this Court reverse the judgments of the two lower courts, and dismiss same for want of jurisdiction of the subject matter, and grant all relief ancillary thereto; that, if this Court sustain jurisdiction of the lower courts in this case as to the subject matter, the errors of the lower courts with respect thereto be corrected, and the judgment of the said Circuit Court reversed, with proper directions to carry out said judgment of reversal, with costs upon Respondent herein.

Respectfully submitted,

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By

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## EXHIBIT 1

## SUMMARY OF PLEADINGS

Anheuser-Busch, Inc., a Missouri corporation, Respondent herein, engaged in the manufacture of a beer known as "Budweiser", herein referred to as "Beer", filed a complaint on July 12, 1960, in the District Court of the United States for the Northern District of Florida, Tallahassee Division (T. 2) against Chemical Corporation of America, a Florida corporation, Petitioner herein, herein referred to as "Wax", engaged in the manufacture and sale of a floorwax containing an insecticide destructive to bugs and insects on floors to which it is applied, praying temporary and permanent injunctions against "Wax" applicant using the trade slogan "Where there's life . . . There's Bugs, or any deceptively similar words or slogan in connection with the sale of its products" (T. 6), and to deliver up for destruction all advertising material using this slogan, for treble damages, and general relief. In the course of the trial the prayer for damages was amended from treble damages, based upon 15 U. S. C., §1117, a section of the Lanham Act, found in Title 15, §1051 through §1127 (enacted July 5, 1946) to actual damages (T. 226, 345) "because it knowingly infringed upon plaintiff's slogan and trademark", an allegation purporting to bring "Beer" within the provisions of 15 U. S. C. §1114, Paragraph 1, subparagraph (b), another provision of the Lanham Act, providing that the registrant of a trade slogan "shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such mark is intended to be used to cause confusion or mistake or to

deceive purchasers." The complaint alleges that "this is a suit arising under the trademark laws of the United States", but does not specifically mention the Lanham Act. The language of the petition with respect to the relief by way of injunction and damages is language of the Lanham Act, particularly Sections 1114 and 1117. The petition did not allege that "Beer" had registered the trade slogans "Where there's Life . . . There's Bud", and "Where There's Life . . . There's Budweiser" prior to the filing of the petition under either the Lanham Act or any prior trademark act, and alleged only the registration of the words "Bud", "Budweiser", and "Budweiser and design" (T. 3). The trial court found no infringement of any of said registrations of the words "Bud" or "Budweiser", or of "Budweiser and design", by the use of the slogan "Where There's Life, There's Bugs", and ruled a lack of jurisdiction under the Lanham Act on account of said registrations (T. 792). During the pendency of the suit in the District Court filed July 12, 1960, and before final adjudication in said court by final judgment dated March 24, 1961 (T. 798), "Beer" tendered an amendment to its petition to allege an additional registration on October 4, 1960 of the trade slogan "Where there's life . . . there's Bud" (T. 406), but did not allege a registration pending the suit of the slogan "Where there's life . . . there's Budweiser". Upon objection by defendant, the amendment was disallowed (T. 762). However, the registration of the slogan "Where there's life . . . there's Bud" was introduced in evidence over objection as Exhibit No. 40 (T. 399, 402, 419, 763). It was filed with the Commissioners of Patents August 1, 1960, and issued October 4, 1960. After the suit was commenced, "Beer" registered "Where there's

life . . . there's Bud" and "Where there's life . . . there's Budweiser" on the Supplemental Register under the provisions of the Lanham Act (T. 787). | Insofar as the trial judge found that the slogan "Where there's life . . . there's Budweiser" was registered, it is clearly erroneous in that there is no evidence to support same, because the registration contained only the slogan "Where there's life . . . there's Bud" (T. 406). | | The Court of Appeals, of course, repeated this error (T. 809). | The trial judge refused to accept jurisdiction under the Lanham Act because of said registration of said slogan pending the case, ruling that there was no registration of said slogan either at the time that the alleged infringement occurred or at the time the suit was commenced (T. 792), and denied jurisdiction of the District Court on the basis of a federal question under the Lanham Act, ruling that the jurisdiction of said court was based upon diversity of citizenship under 28 U. S. C. §1332 (T. 793).

The complaint also alleged jurisdiction "upon the ground of diversity of citizenship of the parties, and the matter in controversy exceeds, exclusive of interest and costs, the sum of Ten Thousand Dollars ($10,000.00)." (T. 2). The answer of "Wax" admits said allegations as to diversity of citizenship and in addition admits jurisdiction upon the "ground of diversity of citizenship of the parties and the matter in controversy exceeds exclusive of interest and costs in the sum of Ten Thousand Dollars ($10,000.00)" (T. 328). In the trial court the only proof whatsoever tendered of a monetary amount of damage was caused to "Beer", or to "Beer's" alleged slogan, by "Wax" in its use of the slogan "Where There's Life, There's Bugs" in selling floorwax, or of an amount in controversy was the millions spent

by "Beer" in its campaign advertising Budweiser Beer using said slogans since 1956 (T. 82, 89, 120, 121). "Wax" denied in its answer that said alleged slogan of "Beer" had been used in connection with any product other than "Budweiser Beer" (T. 329); denied that said alleged slogans had any secondary meaning denoting products of "Beer", except "Budweiser" (T. 329); alleged that the charges of infringement by the use by "Wax" of said slogan "Where there's life, there's bugs" were based on said slogan taken out of context, which would show that Freewax, an insecticidal floorwax, is clearly identified therein (T. 331); that "Wax" and "Beer" are not competitive products, and "Beer" and "Wax" are not in competition with each other in the manufacture of any product (T. 332); denied that said slogan, taken in context, could be found by any rational human being as being used by "Wax" for any purpose other than advertising the sale of Freewax; denied that it would harm the good will created by "Beer" for its products as a result of "Beer's" user of said slogans; alleged that said slogans were not distinctive in that the language was taken from the public domain (T. 332, 333); denied unfair competition, and that either of said slogans has been registered under the Lanham Act or any other laws of the United States, and prayed for a dismissal of the complaint and the temporary injunction theretofore entered (T. 337).

## EXHIBIT II

## SUMMARY OF EVIDENCE AND RULINGS AND FINDINGS OF LOWER COURTS

"Beer's" vice-president in charge of advertising sales and merchandising, testified that it was engaged in the business of brewing beer, and other beer products, corn products, yeast derivatives, such as vitamin supplements, animal food, bakers' derivatives, starch, and table syrup, and had been in the truck body manufacturing business, ice cream cabinet business, the coal business, and railroad business, and still owned one railroad (T. 73), and sells at both wholesale and retail level (T. 74); had four brewing plants, located in New Jersey, California, Missouri and Florida (T. 78); sold its beer through 900 wholesalerships and 10 branches (T. 78); uses advertising by radio, television, newspapers, Sunday supplements, magazines, road posters, bulletins, point of sale bulletins, which is promotion material for the wholesaler set-up and for use in super markets and drug stores (T. 79); uses D'Arcy Advertising Agency (T. 80); that the label on the beer bottles or cans or other containers in which the beer is actually sold, does not contain either of said slogans (T. 77, 227-8); that it has six-pack carriers used to carry the beer home on which is sometimes printed said slogans (T. 82); that the slogan "Where there's life . . . there's Bud" has been stamped by its postage machine on the envelope for every piece of mail to wholesalers, retailers, and its own personnel in the field (T. 83, 84) on envelopes costing $75,000.00 (T. 84); that it had never been in the wax business (T. 198); that plaintiff began using this slogan late in 1956 to

project upon the public the scheme of "real living, real outdoor living, America As It Is Today, real people, real conditions, real life." (T. 86); that said slogan is not connected with any product manufactured by the plaintiff other than beer; that, starting in 1956 down to date of trial, the net sales of "Beer" increased from 214 million dollars to 295 million dollars annually (T. 86, 106); that a very important factor in this increase was the use of said slogans and its advertising promotion program (T. 87); that witness vice-president considered said two slogans "a valuable asset and property right of the plaintiff" (T. 87), because (1) of the increase in sales that is going on, and (2) these slogans have a tendency "to build a certain feature of corporate image of the type people we are, the type things we stand for."; that when he was advised by their agency that "Wax" was coming out with a slogan called "Where there's life, there's bugs" he felt it was a "copy of their slogans, could do great damage to them, not only from an advertising point of view, but from a public relations point of view", and could see the dollars spent to build this program, which amounted to approximately 40 million dollars, destroyed, because they were being downgraded and were being compared as a product with bugs (T. 89); that he did not know there was a slogan "Where there's life, there's soap" (T. 90); that plaintiff makes no claim to the exclusive use of the good living theory behind its slogans, and does not object to other beer companies using the same scheme or theory, provided the words in said slogans are not used (T. 96, 97, 98); that he first heard of John Gay's poem containing the words "Where there's life, there's hope" "yesterday here in court" (T. 101);

The vice-president of D'Arcy Advertising Agency testified the slogan "Where there's life . . . there's Bud" was keyed to the theme of good living, sociability, a pleasant way of life, and an enjoyment of the good things of life, with outdoor living, all of the good things that you enjoy in life (T. 106, 107), and exhibited copyrighted pictures of ads, such as a man sailboating, or enjoying life with a child in a swimming pool with a bottle of Budweiser (T. 107), and further "It is the whole thing the whole campaign is epitomized by the phrase 'Where There's Life, There's Bud.' This is the basis of everything we have been trying to do since the fall of 1956 (T. 107); that said slogan was used in certain radio and television scripts (T. 109, 110), and were broadcast over 531 radio and 190 television stations, reaching at least ninety (90%) per cent of the country (T. 110, 112), that approximately 40 million dollars was spent in this advertising campaign since 1956 (T. 114, 115), that a piece of sheet music entitled "Where there's life . . . there's Bud" was copyrighted for "Beer" (T. 116), and introduced in evidence (T. 119), but there was no evidence as to how and where this music was used; that of the millions of dollars spent in 1956 to advertise Budweiser beer, approximately twenty-five (25%) per cent of said advertising including the phrase, "Where there's life . . . there's Bud" and "Where there's life . . . there's Budweiser"; that of the millions of dollars spent in 1957, 1958, 1959 and 1960, a minimum of eighty-five (85%) per cent was used on said slogans; that the use of the name of the product in the slogan makes it stronger than a slogan not using such name (T. 123); that various newspaper picture ads using the "Beer" slogans as a part thereof were copyrighted or registered in the Library of

Congress by "Beer" (T. 135-139, 143, 145) (Plaintiff's exhibits 25, 25A, 26, 26A, 27, 27A, 28, 28A); that the association of bugs and Budweiser in the two slogans was about as bad as an association as anything you could possibly imagine with the possible exception of manure or something like that, and ". . . all of the good will that we have bui't up through the use of this campaign would be completely and utterly destroyed. Any rights, any copyright rights, or any value that this campaign would have for us would just be annihilated." (T. 143).

A witness professor of advertising was read one of the radio or T.V. commercials of the wax company (T. 337-342) and was asked the effect thereof on the Budweiser slogan, "Where there's life . . . there's Bud" as applied to beer (T. 158), and his answer was that it would shorten the image of Budweiser, because the use of the word "bugs" rather than "Bud" in the slogan would create a shock reaction in that the first reaction "may be true as a joke, but if you look at it closely, it is a kind of burlesquing of something that has been treated as serious business by a large corporation" (T. 159), and that "bugs" is a dirty word, and should not be associated with a beverage or food product" (T. 158); that "bugs" is the sort of word that people do not want to talk about, and he would guess especially women would be repelled by the sound of the word "bugs"; that it would have a negative effect on the good will or corporate entity of "Beer" (T. 158).

The local distributor for Budweiser in Tallahassee was the only witness testifying for "Beer" who had heard any part of the T.V. or radio commercial of "Wax", and stated that his back was turned to the T.V. set during the commercial until he turned around and saw the tail end

of it, and when the commercial stated, "Where There's Life, There's Bugs", it so confused him that it upset him and he just did not know what to do (T. 194); that "it is only normal that I would be upset to hear anything connected with Budweiser that was connected with bugs" (T. 195); that when he heard the word "bugs" added to the commercial it confused him very much (T. 196); that he heard the words "Use Freewax", or "Buy Freewax" in the commercial (T. 196).

The president of "Wax", placed on the stand as a witness for "Beer" testified that phonograph records containing the radio commercials had been running for about thirty days in Jacksonville, Florida and other places, and the T.V. film containing the T.V. commercials had been run once in Tallahassee, Florida (T. 180), i.e. on July 8, 1960, which was four days before plaintiff filed this suit (T. 181).

As part of its case, "Wax" exhibited and played the television films and radio tapes of its commercials to the court (T. 235-238) (records being substituted in this record for the tapes). The television films and radio tapes or records of *"Beer's" radio or T.V. commercials containing its slogans in their background were never shown to or heard by the court or introduced in evidence*, thereby rendering it impossible for the trial judge to know the rhythm, meter and pictures on the radio and television commercials of the beer company, or the format which plaintiff had employed for some four years, as the trial judge found (T. 791), a finding clearly erroneous. A phonograph record in general use, played its song "Where there's life, there's Bud", but not connected by the evidence with its said commercials was introduced in evidence by "Wax" (T. 240, 277). The

wording or transcript of some of the beer company commercials was placed in evidence (T. 109). "Wax's" president explained that Freewax was the result of the successful blending of a wax with an insecticide, which kills bugs on contact (T. 201-206), and that the plan of their advertising program was to emphasize the combination of the self-polishing floorwax and its death-dealing quality to insects, although innocuous to humans (T. 254-6). "Wax" placed in evidence a whole book of its ads showing the theme of their advertising from its inception (T. 208), i.e. shine floors, kill bugs, culminating in a full page ad in Life Magazine of May 23, 1960, beginning their new thought for the year 1960 "Freewax is life on floors, death on bugs" (T. 213, 263). Its president testified that the serious problem confronting its sales force was to eliminate the shame of the housewife (T. 206) arising from the implication that she had bugs in her house when she bought Freewax, and that the slogan "Where there's life, There's Bugs", conceived by the sales manager of "Wax" (T. 214, 262), was calculated to eliminate any sense of such shame by the truthful declaration that "Where There's Life, There's Bugs" (T. 215), the housewife would reach for a can of Freewax without feeling the embarrassment or shame that she thereby admitted bugs were in her home (T. 23, 26, 57, 178, 189, 202, 206, 207, 214, 251, 260, 292, 457). Such purpose had been explained to D'Arcy Advertising Agency, "Beer's" advertising agent whom "Wax" also employed in 1959 as its advertising agent (T. 630) and to the manufacturer of the T.V. films for the wax company in the first part of 1960 when said films were ordered made (T. 458).

The vice-president of D'Arcy Advertising Agency, re-

called to the stand by "Beer", stated that the effect of the advertisings "supposed to be put on by Freewax ... including the words 'Where there's life, there's Bugs' ... would be to "cause irreparable damage to the slogan and trademark of Anheuser-Busch, Inc., and the reputation of its products. Furthermore, said slogan by the Chemical Corporation of America would completely destroy the impression and image which has been built up for Budweiser and would degrade and disparage the same." (T. 282).[20]

The foregoing evidence was introduced at the preliminary hearing on interlocutory injunction, and this evidence was later reconsidered by the trial judge as part of the record at the time of the final trial (T. 109).

At the termination of the preliminary hearing, the trial court found from the evidence "that the extensive use by the plaintiff of the slogan, a symbol of its wares, use arising not merely from the expenditure, the large expenditure of money, but more from its wide dissemination, and, in the final analysis, from its imprint upon the mind of the purchasing public. This use has created — the court is not holding that it has created an absolute common law property right — but the court does find that that evidence creates certain indicia of property, in any event, which should at this time be protected by a preliminary injunction." (T. 293-294). Before the signing of the interlocutory injunction, counsel for defendant submitted seven slogans to the court (T. 302) in order that it be enabled to carry on its advertising cam-

[20]The President of "Wax" put in evidence a written report from D'Arcy, given his company, while it was D'Arcy's client, advising it that it could even use the corporate name of another, provided the two of them were not in competition (T. 231-4).

paign. At first, the trial court considered several of the slogans informally and then stated: "At this time the court is restraining across the board. By that I certainly don't mean, as I have said from the beginning and yesterday several times, that any particular word in that phrase is being denied you in your commercial advertising in any sense, any word individually. It is the context." (T. 307). As to the matter of damage, the trial court just before entering the interlocutory injunction, made the following statement from the bench: "The denial to the defendant in this temporary order of an opportunity to continue to use the slogan, 'Where there's life, There's Bugs' would in no way from an equitable point of view, be commensurate with the damage done, conversely. The court finds this to be true even though the goods are obviously non-competitive. It is the confusion upon which this decision rests, the confusion of the terminology, not as much as it is a confusion of products." (T. 293). In its findings of fact in the original temporary injunction order (T. 9), the court said: "That plaintiff will suffer immediate and irreparable injury, loss and damage by reason of loss in sales and profits from its products; that plaintiff will have its slogan and trademark 'Where there's life . . . there's BUD', diluted and impaired; that the public will be confused as to the nature, identity and as to the sponsorship of the respective products of defendant and plaintiff, all by reason of defendant's use and threatened continued use of the words 'Where there's life . . . there's bugs' on a product, namely floor wax with an insecticide therein." In considering the foregoing portion of its order, the trial court stated: "I am not so sure it is so much the confusion as to the respective products; that is, no one is going to

confuse bugs with beer in the sense that they don't know the difference between bugs and beer." (T. 311, 312). Whereupon, the attorney for the plaintiff in open court agreed with the trial court and suggested that the word "sponsorship" in said order was the key word, to which the court replied, "sponsorship or nature" (T. 312). Thereupon, attorney for plaintiff stated: "I think that would be good, sponsorship and/or nature." Thereupon, defendant's attorney contended: "I think he wants some framework that the law doesn't give any protection at all," and further contended that there were no facts to sustain such a finding and the trial court stated: "To be more precisely, it is identity that is confusing. We all know what we are talking about So what is the confusion here now, it is the confusion of the object, confusing 'Bud' with 'Bugs'." (T. 314), the trial judge thus contradicting himself with respect to his prior statement that "No one is going to confuse bugs with beer." (T. 314).

*The findings as to irreparable damage were based upon the evidence hereinabove outlined. The question as to the amount in controversy was never established, unless this court rule the large amounts of money spent by plaintiff in said advertising campaigns since 1956 sufficient to establish that the amount in controversy in this case was in excess of $10,000.00* (T. 325).

At the time the *ex parte* preliminary injunction order was issued on July 12, 1960 (T. 9), or the interlocutory temporary injunction order on July 26, 1960, "Beer" had not only not obtained but had not applied for registration of the slogan "Where there's life . . . there's Bud" under the Lanham Act.

On August 2, 1960 "Wax" moved for a clarification, construction or modification of the temporary injunction (T. 348), requesting permission to substitute the phrase, "Remember, where there's life, you'll find bugs" in its six said attached film exhibits (T. 349), but said motion was denied (T. 357) in an order reciting that the language sought to be substituted was "so similar to the phrase heretofore enjoined by preliminary order as would be violative of the terms of that original order." (T. 357).

The non-jury final trial before the trial judge commenced on November 10, 1960 (T. 408). In a preliminary statement to the trial court, attorney for "Beer" stated his intention to offer in evidence the trademark registration acquired by plaintiff on October 4, 1960, between the preliminary hearing and the trial, and the file and history with respect thereto, and stated that the patent office made the plaintiff change the wording from slogan to trademark on the goods directly (T. 414), as to the time when "Beer" began to use said trademark, and that "Beer" had to change said time to sometime in 1957, "but that does not preclude how we were advertising 'Where there's life . . . there's Budweiser' in 1933." The only evidence in the record as to the use of the slogan in connection with the sale of the product directly was that said slogan appeared sometimes on some of the six-pack cartons, in which the customer carried the beer home from the retail store, and the trial judge so found as a fact (T. 788), and in his conclusions of law treated said slogan of the plaintiff as a common law trademark, and the cause of action involved as a common law action of unfair competition accomplished by said alleged infringement upon said common law trademark. In his

conclusions of law, the trial judge stated: "A trade slogan appears to have some of the qualities of each [trade mark and trade name], but will hereafter be referred to as a trade mark. There have been slogans which have functioned as trade marks under the law of unfair competition, which were or could have been protected." (T. 794, 795). (brackets ours)

When the registration acquired by "Beer" on August 4, 1960, was introduced in evidence, it was objected to on the ground that the application therefor was filed and granted after this lawsuit was instituted, and after the temporary injunction had been issued herein, and could furnish no protection to "Beer" on the issues framed by the pleadings. The court admitted it in evidence (T. 119) over said objection, made its finding of fact with respect thereto, but ruled that said registrations would not give jurisdiction to the federal court under the Lanham Act, because said Act made no provision for retroactive application for infringements occurring prior to registration and therefore disallowed "Beer's" contention of federal jurisdiction on the basis of a federal question under the Lanham Act (T. 792), concluding that "plaintiff's cause of action not being statutory must, therefore, be one at common law." (T. 792).

At the final trial depositions of additional witnesses were introduced by "Beer", whose main purpose was to testify that the good will of the company employing the words "Where there's life . . . there's Bud", would be impaired by "Wax's" use of "Where there's life . . . there's bugs". The owner of a market research company testified by depositions in January, 1959, that his company submitted a questionnaire card to 2,500 persons

scattered throughout the United States with the slogan "Where there's life . . . there's _____", and asked them to state what word should be filled in in the blank, along with a group of cards containing other slogans (T. 476, 484), and later made such a second survey in July, 1960 (T. 496), initiated after this litigation commenced (T. 525). The blank was filled in by the interviewer (T. 514). In the first report, 34.6% of the total people filling in this blank filled in the word "Bud" or "Budweiser" (T. 503); 12% of the people filled in the blank with either "Bob Hope" or "hope" (T. 516); 5% of the people identified it with another brand or product (T. 517). The results of the July, 1960, survey were delivered by the market research company during the week of September 16, 1960 (T. 527). The results of the July, 1960, report were comparable (T. 504) to the results obtained in January, 1959. The president of Hearst Magazines gave the opinion that the slogan "Where there's life . . . there's Bud" is "a good slogan in that it suggests exuberance of living, Americanism as depicted by the various backgrounds and personalities that I have seen in the displays of one kind or another", and that if the words, "Where there's life . . . there's bugs" were being used in connection with a floor wax having an insecticide therein, "it would be a very damaging slogan to Budweiser because Budweiser, being a food product, would be hurt materially by a slogan which was so close to the Budweiser slogan, representing a product that had an insecticide for bugs, which in the public mind, it seems to me, is not a pleasant thing to think about, particularly in terms of food – that is, the association of the food product on one hand and bugs and an insecticide on the other would represent a very

unfortunate association." (T. 539, 540).[21] He further testified that "a slogan which is so close to one which has become nationally recognized and describes, or is a slogan for, a food product, can be very damaging . . .", in that "where a slogan talks about bugs and the very word 'bugs' is so close in both the number of letters, as well as the sound of the word 'bud', many people, I am sure, would elide over both of those words; it seems to me that it would materially damage the image of a food product such as Budweiser Beer." (T. 542, 543). When asked what he meant by image, the witness stated: ". . . I think that they have built in the minds of the American public, with the millions of dollars that have been spent on the slogan, in publicizing the slogan, they have built an image for Budweiser Beer, being that of a wholesome product, a product that suggests good living, exhilaration of living, and one which is desirable in every respect." (T. 543). The witness had heard the phrase "Where there's life, there's hope" from time to time for the past many years, but did not know where it came from, but gave his opinion that it was "a little known slogan", because nothing has been done to publicize it in this country, and that if it exists, he was sure it existed only in books that have relatively little distribution, and that

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[21] See page 14 of the motion for rehearing in the Court of Appeals (T. 856), wherein the contention concerning the unfortunate association of bugs with beer is exploded, because most persons of beer drinking age know that beer is born through the use of bugs, and in the birth process increases the number of bugs many hundred times, because yeast, which is referred to as "bugs" in every beer plant in the country, contains the fungi or bugs, whose multiplication in the raw product, makes beer, and at the same time increases itself, and that every employee and officer of any beer company knows of the close association of beer, ale and wine in its manufacture through a fermentation process activated by bugs.

". . . it has not been tied up with any specific – the difference, I think here, is that the Budweiser slogan, 'Where there's life . . . there's Bud' has been tied up with a specific item, and in the public's consciousness has become synonymous with a food product." (T. 544); that the word "Bud" is commonly used as a nickname in America (T. 550), and is in the public domain "but as included in a slogan, it would be private ownership providing it had been sufficiently publicized" (T. 551); that the phrase "Where there's life, there's hope" was in the public domain prior to the time Budweiser ever used it (T. 551); that he had seen none of the ads of the wax company (T. 554); that there was no similarity or likelihood of confusion in the minds of the public in the use of the words "Freewax" as opposed to the words "Bud" or Budweiser" (T. 554); that a floor wax is not in competition with a beer (T. 554); that when read a script from the one-minute "Wax" T.V. commercial (T. 337), witness objected first to the party of people dancing on a waxed floor, because "Bud has done a great deal to show their beer in – against backgrounds of parties and gaiety and fun and outdoor living and so on" (T. 555), and that from the entire commercial he could possibly be confused ". . . with the idea that Anheuser-Busch was manufacturing Freewax. . . . Because of the similarity of the slogans. They are so close. I would not think that someone other than Anheuser-Busch would infringe upon the slogan of 'Where there's life . . . there's Bud' with anything as close as – the only thing I can conclude was that either Anheuser-Busch was doing it themselves or somebody was awful mad at Anheuser-Busch." (T. 558); that there is a difference in cases between non-competitive companies using the same trade name and

trade slogan, because one "who has developed a slogan and has publicized it, ought not to have another company use a similar slogan which would cast reflection on the originator's slogan." (T. 560); that "it is so damaging where a product like a wax is sold in a food store or a grocery store, supermarket, and this is the main outlet of packaged beer, in most of the states in this country it seems to me that Freewax is creating a very unfortunate impression against Budweiser Beer in the use of its slogan talking about bugs." (T. 562); that the slogan "Where there's life, there's Bugs" does tell the truth but witness did not consider the truth a factor in it at all (T. 563); that because the company spent a vast amount of money, it is entitled to protection against all the world in non-competitive fields, particularly where there would be an association of ideas which would be damaging to the originator of the slogan (T. 563); that witness might well go into a grocery store and subconsciously or consciously, be deterred from the purchase of Budweiser because of the "bugs" slogan he had heard because simply it would have a depressive effect (T. 565), but witness would not get mixed up in buying a can of Freewax as opposed to a bottle of beer (T. 566); that witness would approve the use of the word "bugs" in connection with a floor wax that had an insecticide and he saw nothing wrong with that, but saw everything wrong in using the word in a slogan which is so close to that of a food product (T. 568); that there would be less relationship between the two slogans "Where there's life . . . there's Budweiser" and "Where there's life there's bugs"; that witness thought "it is very damaging to both the image of the product, and must, if it hasn't already, affect the sales" (T. 570); that by reading the

television scripts, he would say in those areas where it is being used, it is bound to be damaging to the sales of Budweiser (T. 571); that he didn't know whether the "slogan" must be tied to the product itself (T. 572).

The executive vice-president of the Association of National Advertisers, whose membership is comprised of companies which use advertising as an important phase of their selling, marketing, and public relations activities, and of which "Beer" is a member (T. 578), and of which Johnson's Wax Company, "Wax's" competitor, is a member (T. 579), testified by deposition that he was familiar with the slogans used in connection with Budweiser Beer (T. 582); that these slogans associate "beer with pleasant living, with gay, relaxed atmosphere, with those things in life which are fun and amusing to do. With a congenient atmosphere." (T. 583) ". . . with enjoyable times" (T. 584); that he read about this current case in the Advertising Trade Press, where it has been featured to some extent, and his first reaction was of "faint amusement", and when he recognized that the "Wax" slogan was so close to the Budweiser slogan he experienced a considerable feeling of anger (T. 584); that anyone who is "familiar with the Budweiser slogan, and who reads or hears 'Where there's life . . . there's bugs' would associate the two. They are close enough in rhythm, let's say, and bugs and beer just don't go together. I think that it would tend to ridicule the Budweiser slogan. . . . It would certainly destroy the usefulness of that slogan in trying to create a good image of the Budweiser Company." (T. 585); that his organization recommends the use of surveys for the purpose of evaluating the effect or penetration or impact of advertising, and such surveys are a basic part of almost ar

research along those lines (T. 586); that "Wax" is not a member of his organization (T. 587); that he has neither seen the product can of the wax company, nor seen or heard the film and tapes of their commercials (T. 588); when read the script of the wax company T.V. script (T. 337), the witness answered that, used in said context, he did not think anybody could confuse Freewax with Budweiser or Bud beer, or be confused that Budweiser or Bud beer is manufactured by Chemical Corporation of America (T. 589); that his objection to the use of the phrase "Where there's life . . . there's bugs. Use Freewax" in said commercial is that it is so close to the Budweiser slogan that "the two just ring together" (T. 590); that he associates the two phrases, but he knows perfectly well that Budweiser beer is not a germicidal wax, and that Anheuser-Busch does not make this wax (T. 590); that he concedes that the word "Bud" is one of the most common nicknames in the English language and that he had heard the phrase "Where there's life, there's hope" prior to the time he ever heard of Bud or Budweiser Beer (T. 591); that he is not familiar with the fact that "Where there's life, there's hope" was used by Cervantes in the work "Don Quixote" (T. 758, 785), or in John Gay's poem, "The Sick Man and the Angel", but had been around a family where someone was desperately ill and likely to die, at which time the phrase "While there's life, there's hope" was used (T. 592); that the damage to the value of the beer company's slogan is due to the fact that you associate the two, and think of bugs and beer, which just don't go together (T. 593); that when a company has spent considerable amount of money in developing a slogan, if somebody uses or twists that slogan, it just isn't up to

the highest standards of advertising (T. 594); that his personal reaction was that Life Cigarettes had no right to use the word "Life" because the word "Life" had been used in Life Magazines (T. 600); that his natural inclination was to lean toward the direction that whenever a man creates anything he ought to have it protected if he has used it in advertising and has spent money on it (T. 601); that he was not qualified to answer whether the slogan "Where there's life . . . there's bugs" is true (T. 610).

Another vice-president and member of the administrative board of D'Arcy Advertising Agency, who was Supervisor of the Chemical Corporation of America account with D'Arcy Advertising Agency from January, 1959 until August 1, 1959, testified by deposition as to his reaction of amazement and disbelief when he heard "Wax" intended using the slogan "Where there's life, there's bugs", but gave no evidence as to the damage, if any, which would be inflicted upon "Beer", but admitted that the slogan "Where there's life, there's bugs" is a true statement (T. 632); that he concluded that "this was a very serious thing for the Anheuser-Busch Company to have to contend with." (T. 636); that after considering the six T.V. film scripts of "Wax", he conceded that Freewax is not in competition with Budweiser beer (T. 633), and when asked the question whether there was anything in the films to mislead anybody about who manufactures Freewax, his answer was: "I had the feeling that people hearing this might well say, despite the blatant and strong 'Chemical Corporation of America', 'Maybe this is made by Budweiser, Anheuser-Busch'; I don't know. That is only an opinion." (T. 634); that, when a searching cross-examination sought to determine

the reason for his amazement and disbelief upon hearing this commercial, he would not answer the question, after objection by counsel for "Beer", whether the premise of his thinking was that the plaintiff had a monopoly in commerce on the use of the words "Where there's life, there's ——", so that it should be able to prevent other persons from using same, even though a different product was filled in in the blank portion (T. 632, et seq.) ; that when "Wax" brought its account to D'Arcy Advertising Agency, the president of "Wax" stressed to D'Arcy the problem that "Wax" had had since its very beginning with trying to convince the American housewife that there is nothing infamous or disgraceful about having bugs in one's home (T. 630, 57) ; that such was undoubtedly a problem facing the wax company (T. 631). This witness gave no testimony concerning the damage that the use of said commercial might inflict on "Beer", or the amount thereof.

The 33-year old account executive of D'Arcy Advertising Agency who handled the "Wax" account when it was handled by D'Arcy, testified by deposition that his relationship with all officers and members of "Wax" had always been extremely pleasant, with no ill feeling (T. 666, 272) ; that he was told of the intended use by "Wax" of the slogan, "Where there's life . . . there's bugs", and he communicated it to his company (T. 660) ; that he subsequently called the president of "Wax", who freely talked of the intended user (T. 661-664), and during said conversation said president offered to supply finished prints of the commercials to the president of D'Arcy, who was also the account executive handling "Beer's" advertising (T. 664, 617, 618) : that in said conversation, the president of "Wax" stated to witness that he thought

the use of this slogan would help it overcome the problem it had about convincing American housewives that there were bugs in their houses (T. 664, 665); that said witness gave no testimony concerning the damage, if any, that the use of said commercial might inflict on the plaintiff, or the amount thereof. (The interrogatories identified as plaintiff's exhibits 44 and 45 were introduced in evidence here.)

At this point, the plaintiff closed its case.

The advertising director of Bohemian Beer Company, testified by deposition that he handled the advertising for the Acme Beer Company, owned by the Bohemian Company; that he produced a picture, which he stated was a reproduction of an outdoor painted bulletin, used by the Acme Company on or about February 3, 1938, on which the slogan was used "Where there's life, there's Acme Beer and Ale" (T. 684); that witness produced other billboard reproductions in picture form containing the slogan, "Where there's life, there's Acme", which exhibits were used for approximately a period of two years from 1938 to 1940 (T. 686-689); that in an advertising campaign that lasted about 12 months, both billboards, newspapers and radio were used; *that the Federal Alcoholic Tax Unit required Acme Beer to stop using said slogan because it implied that alcoholic beverages had some therapeutic value, and Acme Beer began to qualify its slogan by using "Where there's life and action, there's Acme Beer"* (T. 694); that in 1958 the plant brewing Acme Beer was sold to Rheingold, and there was no longer any Acme Beer sold; that the slogan used by Acme in 1937 was used in advertising

only, and was not used on the labels of the product itself (T. 700); that the advertising territory covered by Acme was principally Southern California, then into Arizona, Southern Nevada, and a portion of New Mexico.

A vice-president of an advertising agency in Los Angeles, California, testified by deposition (T. 708) that he found certain old photographs of billboards for Acme Beer, containing the slogan "Where there's life, there's Acme", one of which was dated August 29, 1938 (T. 714); that these pictures represent advertisements on billboards (T. 722); that Acme ceased doing business in 1952 (T. 724), and for the last twenty-five years the witness had no knowledge of advertising by the Acme Company which included "Where there's life, there's Acme"; that Acme used the phrase "Where there's life and action" (T. 726); that in 1937 Acme used the slogan "Where there's life, there's Acme, dietetically nonfattening" (T. 733); that in 1937 the slogan "Where there's life, there's Acme" was used, as was also true in 1938 (T. 737).

The president of "Wax", on taking the stand as its witness, testified that its sales in 1960 had decreased because of the interference with his T.V. advertising (T. 748, 754); that "Wax" has found television its best medium, and 95% of its advertising budget has been on spot television (T. 743); that "Wax" is classified as both a part of the insecticide industry and the floor wax industry (T. 752); that for the past five years "Wax" had showed an increase in sales each year compared with

the same months of the previous year except for the year of this litigation (T. 754).

In his conclusions of law, the trial judge adopted his temporary injunction order (T. 9); and made same a permanent injunction (T. 798, 768). The second paragraph of said final order enjoined "Wax" "hereafter issuing any press release, having any interview for any kind of news media or publication, or otherwise giving any publicity to this lawsuit, or to the words 'Where there's life, there's bugs' . . . or any words deceptively similar thereto." (T. 769). The trial judge made no findings of fact with respect to said second paragraph of said order, but we submit the following as the summary of the evidence concerning same.

The president of "Wax" was first called to the stand by the plaintiff as an adverse witness, and at that time testified that the first press release he saw concerning this lawsuit was released by counsel for Budweiser "and we wanted to be sure that we adequately got the truth out to the public, so I authorized Mr. Dougherty to give out the complete facts and nothing more on the release." (T. 189), [Plaintiff's Exhibit No. 37 is a copy of this release of July 21, 1960 (T. 191).] Another release of July 25, 1960 entitled "Freewax enters third day" was authorized by "Wax" to be given by Mr. Dougherty (T. 191), and is Exhibit No. 38 (T. 192); that *Advertising Age* is a magazine well recognized in the advertising business (T. 249). In the course of the trial, "Beer" sought to introduce evidence that a former official of "Wax", then engaged in public relations business, had issued press releases concerning the trial, and "Wax" countered with an effort to introduce the release contained in the maga-

zine *Advertising Age* which credited the attorney for "Beer" with having issued the first press release. The effect of these releases upon the interested public is shown by the testimony of the witness for "Beer", who gave a fairly truthful report of the trial from reading *Advertising Age* (T. 521, 522). The trial judge stated he was not remotely interested in either press release, and ruled that "that turn is not going to turn on who issued what press release or whether anybody else issued one" (T. 250). When Dougherty, who issued the press releases, testified in behalf of "Wax" (T. 264-275), "Beer" did not cross-examine him about the press releases, or establish any alleged untruths therein. In his preliminary statement, at the close of the evidence at the interlocutory hearing, the court made no issue as to "Wax" having given publicity to the lawsuit (T. 293-296), the injunction concerning which first appeared in the preliminary injunction (T. 10). The two press releases by Dougherty, dated July 21, 1960 and July 25, 1960, were introduced in evidence, as plaintiff's Exhibits 37 and 38, at the final trial in November 1960 (T. 427 - 433). A taped interview by C.B.S. Radio network with the president of "Wax" was introduced in evidence as plaintiff's Exhibit 43 (T. 434, 435). One newspaper release (Exhibit 37) appeared to contain what to the trial judge was a misunderstanding of some statements made by the judge during the course of the trial (T. 431) at the time when "Wax" submitted to the court other slogans to determine whether they would be violative of the preliminary injunction, when the court orally stated ". . . and you want to get a particular ruling on each one of those things I will do it." (T. 303). Thereupon the court stated from the bench that it would not consider the slogan "Free-

wax is life on floors, death on bugs. Remember, where there's life, you'll find bugs." as violative of said injunction, and the court thereupon considered seven such slogans (T. 302) and passed upon them one at the time as to whether they were violative of the injunction. The record shows (T. 305) said judge did approve said slogan, as above worded, and that his criticism of said press release for saying so was a fair and correct report of a judicial trial. Later, the trial court appeared to retract its earlier ruling when it gave a ruling on August 2, 1960 (T. 356) on a written motion for clarification of the temporary injunction (T. 348) contrary to the above oral ruling from the bench. The original ruling made by the court was made on July 21, 1960 (T. 300, 304); the preliminary injunction was issued on July 21, 1960 (T. 11); the two press releases were issued on July 21 and 25, i.e. before the judge finally made up his mind in his written order of August 2, 1960. "Beer" made no objection or complaint concerning said releases or said interview until they were placed in evidence by it at the final trial on November 10, 1960 (T. 436).

The president of "Wax" testified that Dougherty, who was a vice-president of the wax company until August 1, 1959 (T. 753), formerly worked for D'Arcy Advertising Agency as account executive for "Wax"; helped select said agency, terminated his services with D'Arcy when "Wax" withdrew its account and thereupon formed his own business under the name of Joseph A. Dougherty Associates, in Princeton, New Jersey; that "Wax" brought Dougherty down to Tallahassee as a witness in this case, and while here he asked permission to handle these press releases, including Exhibit No. 42, "because it was his business and he wanted to show what

he could do." (T. 749, 201). Witness told him he would have no objection provided everything had to be accurate, as he wanted no problem about having any erroneous information going out; that "Wax" did not pay for these services, but paid his traveling expense as a witness; that witness questioned Dougherty as to the accuracy of the statements after the first press release; that another release went out correcting the previous one because the first release did not contain the changed ruling of the court (T. 749), i.e. contained the first oral rather than the later contradictory written ruling; witness admitted that he was requested to give the radio interview (Exhibit No. 43) (T. 749), which he did and stated that the facts set out therein were correct with respect to the letter referred to therein based on witness' and "Wax's" counsel's interpretation thereof (T. 756).

Each party was and is engaged in business in interstate commerce (T. 78, 79, 205, 254, 246).

Counsel for each party made statements of contention in open court before the introduction of evidence (T. 13-69). "Beer" admitted (T. 59) that the words of "Beer's" slogans as well as "Where there's life, there's hope" were in the public domain prior to the user by plaintiff of the phrase "Where there's life . . . there's Bud", but contended that "it did not mean a product, a source of identification", and argued that its application to the phrase "Where there's life . . . there's Bud" was unique and fanciful, none having done it heretofore (T. 59); that said slogan was a trademark even though it was not registered, and that "Beer" was relying on its common law rights that this slogan was a trademark (T. 60); that the action of "Wax" in its user

of the slogan "Where there's life, there's bugs", although admittedly the action of a non-competitor, nevertheless diluted said slogan, i.e. the common law trademark of "Beer"; that the forty million dollars spent in its advertising campaign, in the user of which said slogan was sometimes used, built up an image of good will with respect to its trademark slogan, which will be whittled away by "Wax's" use of its slogan (T. 16, 63); that the court not only had jurisdiction under the trademark laws of the United States, i.e. the Lanham Act, but also has the jurisdiction because of the requisites of diversity of citizenship and amount in controversy (T. 61, 63). In its statement prior to the introduction of evidence, "Wax" argued that it was not in competition with "Beer"; that there was no confusion of product; that the forty million dollars was spent in advertising beer, and not the slogan (T. 22); that the use of the slogan "Where there's life . . . there's bugs" was used by "Wax" for the purpose of driving from the minds of women customers the shame of going up to a store shelf and picking up the product because carrying it out of the grocery store and meeting their neighbors . . . was an admission that they had bugs in their homes (T. 23); that "Beer" had not registered its slogan either under the Lanham Act or under the registration laws of the State of Florida; that the slogan "Where there's life, there's soap" had been registered by another business in 1915 (T. 24); that the phrase "Where there's life, there's bugs" states a universal truth, and does not say anything which would hurt anyone (T. 28); that "Beer" filed its suit before anyone connected with the plaintiff had ever seen the "Wax" commercials (T. 28); that the allegation in the complaint that the words "Bud" and "Budweiser" have

been registered as trademarks of the plaintiff under the Lanham and earlier Acts is immaterial to this litigation because "Wax" did not use either word (T. 38), as the trial court found (T. 792); that "Beer's" slogans do not contain coined or fanciful words (T. 35); that the use of this slogan by "Wax", as shown in its television and radio commercials are used in such a background as not to confuse anybody as to source, for all it does is try to sell Freewax, each of insecticide floor wax and beer being entirely different products (T. 44); that the law of Florida must govern this case, and does not include precedents upholding causes of action based upon dilution, but is based upon the common law by which unfair competition cases were confined to passing off cases (T. 56), which element is lacking in this case; that at the common law a monopoly cannot be secured on words of common usage (T. 65).

In his findings of fact the trial judge found the sales of "Beer" have increased since 1956 and a great portion of the increase is attributable to the success of its advertising (T. 788); that the advertising of "Wax" is deceptively similar, "so as to confuse the advertising of plaintiff and defendant" (T. 791); that "the value and effectiveness of plaintiff's prior advertising is impaired to some extent by the deceptively similar phraseology and treatment employed by defendant in its advertising. Unless enjoined, there is sufficient likelihood of damage to plaintiff, despite the fact that the court finds that no recompensable damages were incurred by plaintiff" (T. 791); that in its conclusions of law the trial court admitted that the Florida law did not contain a "cited pronouncement of the law of dilution", and admitted that this case did not involve an infringement of a trademark in the clas-

sical sense of the term (T. 793), i.e. involved in passing off; that in cases involving the equitable doctrine of unfair competition, the parties need not be in direct competition for the doctrine to be effective because of the basic unfairness in the commercial world of which this court took cognizance (T. 796); that the trial court applied the doctrine of dilution, the underlying rationale of which is claimed to be the gradual diminution or whittling away of the value of a trademark as a result of extensive use of deceptively similar mark, although Florida has no precedent establishing same and has not enacted a statute embracing it, because it is inherent in a Court of Equity to adopt equitable rules for the purpose of seeing that justice is done (T. 797); and ruled that "Beer" can acquire property rights in the subject slogans although others have used similar ones prior to the time (T. 797); that the trial court found as a fact that the slogan "Where there's life, there's hope" had been in the public domain since 1700, when it was used by John Gay in his poem, and that similar slogans had been used by Fisher's Soap Company and Acme Beer but that same had been abandoned, but that there has been no adverse user to "Beer" save "Wax", and as far as "Wax" is concerned, said prior users have abandoned their user of said slogans, and "Wax" cannot appropriate them from "Beer" as prior user (T. 797-798).

The Circuit Court of Appeals first indulged in a misstatement of contention to the effect that "Wax" contended it had every right "to appropriate and make use in any way it sees fit of the slogan which the appellee has popularized by the expenditure of effort and money over the years, regardless of any resulting injury or damage to the appellee caused by any confusion as to the source of

the insecticide or by any dilution of or depreciation of the value of the slogan (T. 813). Throughout the record, it is apparent that "Wax" contended that it had the right to use only the words contained in a portion of the slogan, i.e. "Where there's life, there's———", it being admitted that the word "Bud" or "Budweiser" was not used by "Wax", as was found by the trial judge (T. 792). The statement of contention, as put by the appellate court judge, was question-begging in that it assumed that the entire slogan of "Beer" was being used by "Wax". Thereupon the Court of Appeals considered the contention of appellee that the trial court properly found threatened injury to its common law trademark or business slogan and acts of unfair competition justifying intervention of a court of equity, and concluded that "these cases make it clear that in Florida a cause of action may exist where simulation of another's name or slogan causes damages on ground entirely separate from actual confusion between competitors as to the source of the product" (T. 818), although it spelled out the cause of action in this case to contain the element of confusion as to source and because of the peculiarly unwholesome association of the words "bud" and "bugs". After first ruling in favor of jurisdiction under diversity of citizenship and amount in controversy, it considered the assignment of error by "Beer" in its cross appeal that the trial court was in error when it determined the District Court had no jurisdiction under the Lanham Act, and ruled that there was jurisdiction under the Lanham Act, although the registration was acquired in October before the trial in November but after suit was filed on July 12, 1960, the date of its filing the suit, the appellate court making the following ruling: "An equity court, in

considering injunctive relief, views the case as of the time of the granting of the relief." (T. 820).

The Court of Appeals also upheld the injunction against "Wax's" issuing any press release, having any interview for any kind of news media or publication, or otherwise giving any publicity to this lawsuit, or to the words "Where there's life, there's bugs", or any words deceptively similar thereto, on the ground that the trial court necessarily had the power to make the injunction effective by preventing any publication concerning the case itself (T. 821).

On November 10, 1962, a motion for rehearing, including a motion to set aside the judgment of the trial court and the appellate court on the ground of lack of jurisdiction of the subject matter, and a motion to certify the adjudication of the cause of action by the Supreme Court of Florida, was filed (T. 823), and on November 19, 1962 was overruled (T. 916), without any additional opinion. Said motion for rehearing was thorough and sifting, pointing out fully the errors claimed by appellant both with respect to jurisdiction (T. 844) and concerning the merits (T. 868). The assignments of error contained in this petition for certiorari are fully covered by the original assignments of error in the appeal to the Circuit Court of Appeals, and in said motion for rehearing, which petitioner in certiorari respectfully requests this court to consider and review.

## APPENDIX A

**(Memorandum Opinion of the United States District Court; followed by the preliminary injunction incorporated in this memorandum; followed by the final judgment of the District Judge)**

(Number and Title Omitted) (Filed: March 24, 1961)

### FINDINGS OF FACT AND CONCLUSIONS OF LAW

On July 21, 1960, this court issued a preliminary injunction against the defendant enjoining its use of the slogan "Where there's life . . . there's Bugs" in advertising its product. Plaintiff sought the injunction contending that defendant's use of the slogan was an infringement upon plaintiff's trademark and slogan "Where there's life . . . there's BUD" and/or "Where there's life . . . there's Budweiser" which plaintiff uses in advertising its product.

Plaintiff seeks to have the preliminary injunction made permanent. The court held a final hearing on plaintiff's application, and the court finds the following facts pertinent to the issue:

### FINDINGS OF FACT

Plaintiff is a corporation, incorporated in the State of Missouri, and having its principal place of business in St. Louis, Missouri.

Defendant is a corporation, incorporated in the State of Florida, and having its principal place of business in Tallahassee, Florida.

There is diversity of citizenship between the parties and the matter in controversy exceeds the sum of $10,000.00, exclusive of interest and costs.

Plaintiff is engaged in the manufacture and sale of various food and beverage products. The most notable of its products is Budweiser beer. This beer is also advertised and marketed under the name of "Bud" as well as Budweiser beer. Both of these names have been registered as trademarks in accordance with the provisions of the Lanham Act, 15 U. S. C. Section 1051, et seq. In October, 1960, after this suit was commenced, plaintiff registered "Where there's life . . . there's Bud" and "Where there's life . . . there's Budweiser" on the supplemental register under the provisions of the Lanham Act.

In 1933 plaintiff began using the slogan "Where there's life . . . there's Budweiser" in its advertising. From 1933 to 1956 plaintiff used the slogan infrequently. In 1956 plaintiff undertook sales campaigns employing the slogans and trademarks "Where there's life . . . there's Bud". Plaintiff, having found that the slogans were effective in successfully marketing its product, spent in excess of $40,000,000.00 in advertising which contained the two slogans. Plaintiff advertised Budweiser beer with the slogans and trademarks on radio stations, television, national billboards, newspapers and nationally circulated magazines. The evidence shows that plaintiff's sales have increased since 1956 and a great portion of the increase is attributable to the success of plaintiff's advertising.

The slogans were not affixed directly on the bottles or upon the beer cans, nor upon the labels on the bottles

and cans. Some of the cartons and containers used in packaging and for carrying plaintiff's beer bore one or more of the slogans. These cartons and containers cost plaintiff approximately $9,000,000.00.

In an effort to determine the effectiveness of the advertising program, plaintiff employed advertising surveys to determine whether the public was acquainted with the plaintiff's slogans, and whether the public associated the slogans with plaintiff's product. The results of the surveys showed that a substantial portion of the public was not only acquainted and familiar with the slogans but also associated the slogans with Budweiser beer.

The court finds that as a result of the wide dissemination of advertising employing the slogans, for the long period which plaintiff has used the slogans in advertising its product, that the public did, in fact, know the slogans, associated the slogans with the products, and associated plaintiff as the source of the advertising.

The court also finds that the slogans which were placed upon the containers and cartons were sufficient to identify the product.

The phrase "Where there's life . . . there's hope" is a quotation from the poem, "The Sick Man and the Angel" written in the year 1700, or thereabouts, by John Gay.

In 1915 the phrase "Where there's life . . . there's soap . . . usually Fischer's" was commercially used in the Cincinnati, Ohio, area by Fischer's Soap Company.

"Where there's life . . . there's Acme beer" was used extensively in advertising in the late 1930's and early

1940's on the West Coast of the United States. The evidence is such that the Acme beer company is no longer in existence and therefore no longer employs the slogan.

Defendant is engaged in the manufacture and sale of a floor wax which contains an insecticide. The product is sold under the name of Freewax. It has heretofore been marketed primarily in the Southern part of the United States. Defendant had been using the slogan "Life on Floors . . . Death on Bugs" to advertise its product.

In 1958 the officers of defendant held conferences with employees of the D'Arcy Advertising Agency. This advertising agency handles advertising for plaintiff. In January, 1959, defendant employed D'Arcy to handle its advertising. Shortly thereafter D'Arcy and defendant severed their relationship.

At some later date an employee of D'Arcy resigned and was employed as an officer of defendant.

In April, 1960, defendant ordered film strips, tapes and records using the slogan in question from Fred A. Niles Productions, Inc.

At the time that the idea to use "Where there's life . . . there's Bugs" arose, defendant knew that plaintiff was using the slogans "Where there's life . . . there's Bud" and "Where there's life . . . there's Budweiser".

At the time that the order was placed with Niles, Inc., defendant was also aware that there was a possibility of friction between its use of the slogan, and plaintiff's use of the slogan.

On July 7, 1960, defendant, after warnings by plain-

tiff not to use the slogan, advertised Freewax on television in the Tallahassee, Florida — Thomasville, Georgia area.

The court finds from listening to the tapes, and from watching the film strips, that defendant's use of the slogan was *confusingly similar* to plaintiff's. This is not to say that the tunes or the words in the advertising were exactly the same, but from the rhythm, meter and the pictures which appeared at the time that the slogan was used, when taken as a whole, created the impression that defendant's *advertising* had some connection with the plaintiff or *plaintiff's product*. Some of defendant's film strips show drinking glasses being filled, people dancing, and a simultaneous use of the slogan "Where there's life . . . there's Bugs". These films follow a format which plaintiff had employed for some four years. The court finds that the advertising of defendant is deceptively similar, so as to confuse the advertising of plaintiff and defendant.

The court also finds that the value and effectiveness of plaintiff's prior advertising is impaired to some extent by the deceptively similar phraseology and treatment employed by defendant in its advertising. Unless enjoined, there is sufficient likelihood of damage to plaintiff, despite the fact that the court finds *that no recompensable damages were incurred by plaintiff*.

The goods of plaintiff and the goods of defendant are not competitive, but the goods of plaintiff and defendant are sold at the same retail outlets and the association of bugs with Bud or Budweiser is sufficient to merit the apprehension that the ill repute of one type of goods is likely to be visited upon the other.

## CONCLUSIONS OF LAW

Since the defendant did not use the words "Bud" or "Budweiser", plaintiff's registered trademark, the court finds that use of the slogan "Where there's life . . . there's Bugs" is not an infringement of those trademarks registered under 15 U. S. C. Section 1051, et seq.

Since there were no registrations of the slogans "Where there's life . . . there's Bud" and "Where there's life . . . there's Budweiser" either at the time that the alleged infringement occurred or at the time the suit was commenced, the subsequent registration of those slogans upon the supplemental register would not give plaintiff the statutory remedies afforded under the Lanham Act, 15 U. S. C. Section 1051, et seq. The Act makes no provision for retroactive application for infringements occurring prior to registration. In addition, defendant has been under temporary injunction since July 21, 1960, and unless defendant violated the injunction (and there is no evidence that it did), there was no infringement between the date of registration in October, 1960, until the present time, which would give rise to any cause of action under the Lanham Act.

Since plaintiff does not have any basis for cause of action under the Lanham Act, there is no jurisdiction in this court on the basis of a Federal question. Plaintiff's cause of action not being statutory must, therefore, be one at common law. *Pecheur Lozenge Co., Inc.* v. *National Candy Co., Inc.*, 315 U. S. 666 (1942); *Stark Brothers Nurseries and Orchards Co.* v. *Stark, et al*, 255 U. S. 50 (1921); *Royal Lace Paper Works, et al*, v. *Pest-Guard Products*, 240 F. 2d 814 (5th Cir. 1957); *Kaplan, et al.* v. *Helenhart Novelty Corporation*, 182 F. 2d 311

(2nd Cir. 1950); *Magic Foam Sales Corp.* v. *Mystic Foam Corp.*, 167 F. 2d 88 (6th Cir. 1948).

There being diverse citizenship, this court has jurisdiction under 28 U. S. C. Section 1332.

The doctrine of *Erie Railroad Co.* v. *Tompkins*, 304 U. S. 64 (1938), is therefore applicable and when available, the law of Florida shall herein be applied. While the equitable doctrines of the State of Florida are pertinent and binding on this court, there has been no cited pronouncement by this State specifically determinative of the issue here. Decisions of federal courts and other jurisdictions are therefore in point as illustrations of the common law. *American Photographic Pub. Co.* v. *Ziff-Davis Pub. Co.*, 135 F. 2d 569 (7th Cir. 1943).

Several doctrines of law have their play here and must be examined. This is not, as has been found, an infringement of a trademark in the classical sense of the term. The registered words "Bud" and "Budweiser" here were not themselves assaulted by defendant. But this is not to say that a slogan cannot function as a trademark which is capable of protection as a property right.

Common law trademark rights arise out of adoption and use. With respect to the manner, extent and duration of use, no precise rule can be stated. While no definite time limit is required, it is necessary that the trademark or tradename become associated in the public mind with the producer or owner of the goods to which it is applied. 52 Am. Jur. Trademarks, Section 22. The weight of authority is to the effect that a trademark is property, which accrues without the aid of a statute.

A tradename is also a species of property, and while

not strictly a trademark, will as a general rule be protected in like manner. 52 Am. Jur. Trademarks, Section 13.

A tradename has been defined as a name, word, or phrase employed by one engaged in business as a means of identifying his products, business, or services, and of establishing good will. 52 Am. Jur. Trademarks, Section 3. It has been stated that there is no distinction either in fact or in principle between a tradename and a trade slogan. *Yellow Cab Co.* v. *Sachs*, 191 Cal. 238, 216 Pac. 33, 28 A. L. R. 105.

A trademark and a tradename have distinguishable points, the greatest distinction being the fact that a trademark is applicable to a salable product to which it is affixed, while a tradename is applicable to a business and its good will. 52 Am. Jur. Trademarks, Section 8.

A trade slogan appears to have some of the qualities of each, but will hereafter be referred to as a trademark.

There have been slogans which have functioned as trademarks under the law of unfair competition, which were or could have been protected. *Stewart's Sandwiches, Inc.* v. *Seward's Cafeteria, Inc.*, 60 F. 2d 981 (D. C. S. D. N. Y. 1932); *Swanson Mfg. Co.* v. *Feinberg-Henry Mfg. Co.*, 147 F. 2d 500 (2nd Cir. 1945), (reversing lower court because no secondary meaning was shown, and because there was no confusion of products).

The court in *Simmons Co.* v. *Southern Spring Bed Co.*, 173 F. Supp. 111 (D. C. N. C. 1959), enjoined defendant from using plaintiff's slogan: "Built-in Bed Board".

"It is true that plaintiff had not secured a regis-

> tered trademark for Back Care. The fact remains that it expended approximately half a million dollars in the early part of 1958 to promote the sales and in that year its sales exceeded 2¼ million dollars. The defendant manufacturer, with unusual haste, copied plaintiff's trademark and slogan and sought to harvest where it had not sown, to garner the profits from plaintiff's expenditures. If its behavior does not constitute unfair competition, it would be difficult to define what is unfair competition . . ."

The defendant urges that since its floor wax and plaintiff's beer are not competitive products that plaintiff is, therefore, denied protection otherwise plainly available to it under well defined standards of unfair competition. This, the court finds to be a misapplication of the equitable doctrine of unfair competition. Parties need not be in direct competition for the doctrine to be effective. *Bulova Watch Co., Inc.*, v. *Stoltzberg*, 69 F. Supp. 543 (D. C. Mass. 1947). It was the basic unfairness in the commercial world of which this court took cognizance.

The Court of Appeals for the Fifth Circuit has held that the trademarks protected need not be in direct competition. *Tampa Cigar Co., Inc.* v. *John Walker and Sons*, 222 F. 2d 460 (1955); *Pure Foods, Inc.* v. *Minute Maid Corp.*, 214 F. 2d 792 (1954), cert. den. 348 U. S. 888. In the case of *Abramson* v. *Coro, Inc.*, 240 F. 2d 854 (1957), the court stated:

> ". . . relief by way of injunction in an action for unfair competition is not precluded solely by the fact that the goods or businesses of the litigants are not in actual competition." (Citing a case arising in Mississippi.)

The doctrine of unfair competition has been extended

in many cases, especially the more recent ones, so as to afford protection and relief against the unjust appropriation of, or injury to, the good will or business reputation of another, even though he is not a competitor. 52 Am. Jur. Trademarks, Section 86.

Where similar trademarks have been used on dissimilar goods, courts have applied the doctrine of dilution, the underlying rationale of which is that gradual diminution or whittling away of the value of a trademark as the result of the extensive use of deceptively similar mark, constitutes an invasion of a property right and gives rise to an actionable wrong not dependent on a showing of competitive relationship or the likelihood of confusion to purchasers thereof. 87 C. J. S. Trademarks 304. This is, of course, an equitable doctrine which cannot be obviated by defendant's observation of the fact that the State of Florida has not enacted a statute specifically embracing it. Indeed, the Florida courts have underscored the general rule that it is inherent in a court of equity to adopt equitable rules for the purpose of seeing that justice is done, and the powers of equity are constantly being expanded to meet the demands of a complex and advancing society. *Chamberlain* v. *Chamberlain*, 115 Fla. 21, 155 So. 136 (1934). See also 12 Fla. Jur., Equity, Section 9.

Finally, the court finds no merit in the contention of defendant that plaintiff cannot acquire rights in the subject slogans because others have used similar ones prior to this time. There is no adverse user to plaintiff save defendant. As far as defendant is concerned, the prior users have abandoned their use of slogans, and defendant cannot appropriate them from the plaintff as prior user.

In accordance herewith, therefore, temporary order heretofore entered on July 21, 1960, is made permanent by appropriate order this date.

DATED this 24th day of March, 1961.

/s/ G. HARROLD CARSWELL
G. Harrold Carswell
United States District Judge

(Number and Title Omitted) (Filed: July 21, 1960)

(The following preliminary injunction is the order hereinabove referred to in the Conclusions of Law.)

## PRELIMINARY INJUNCTION

This cause coming on to be heard on the motion of plaintiff for a preliminary injunction; and due notice having been given to defendant; and the court having heard the testimony of witnesses on both sides together with evidence in connection therewith and having considered the arguments of counsel and being fully advised in the premises, it finds:

That plaintiff will suffer immediate and irreparable injury, loss and damage by reason of loss in sales and profits from its products; that plaintiff will have its slogan and trademark "Where there's life . . . there's BUD", diluted and impaired; that the public will be confused as to the nature, identity and as to the sponsorship of the respective products of defendant and plaintiff, all by reason of defendant's use and threatened continued use of the words "Where there's life . . . there's bugs" on a product, namely floor wax with an insecticide therein.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED, that pending final hearing and determination of this case, defendant, its agents, servants, employees and all those acting in privity with it or them or any of them, and all persons, firms and corporations holding by, through and under it, and any and all persons acting in aid or in conjunction with it, be forthwith enjoined and restrained from manufacturing, processing and disseminating any film, tape, records and/or record-

ings, sound tracks, labels, advertising and/or promotional material, and/or any other material using the words "Where there's life . . . there's bugs" or any slogan or trademark deceptively similar thereto, or any other colorable imitation of plaintiff's slogan and trademark; and from otherwise competing unfairly with plaintiff or from infringing plaintiff's slogan and trademark "Where there's life . . . there's BUD" and "Where there's life . . . there's BUDWEISER."

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that this order shall be effective from and after 12:01 A.M., Friday, July 22, 1960.

AND IT IS FURTHER ORDERED, ADJUDGED AND DECREED that plaintiffs file their bond, with corporate surety, to be approved by the court, in the sum of $200,000.00, conditioned for the payment of such costs and damages as may be incurred or suffered by any party who is found to have been wrongfully enjoined or restrained.

ENTER: /s/ G. HARROLD CARSWELL
Judge, U. S. District Court

Dated: July 21, 1960

(Number and Title Omitted) (Filed: March 24, 1961)

(This is the Final Judgment of the United States District Court)

## ORDER OF PERMANENT INJUNCTION

This cause coming on to be heard after final hearing for permanent injunction, and in accordance with memorandum-decision filed this date, it is, therefore,

ORDERED, ADJUDGED AND DECREED that defendant, its agents, servants, employees and all those acting in privity with it or them or any of them, and all persons, firms and corporations holding by, through or under it, and any and all persons acting in aid or conjunction with it, be hereafter enjoined and restrained from:

1. Manufacturing, processing and disseminating any film, tape, records and/or recordings, sound tracks, labels, advertising and/or promotional material, and/or any other material using the words "Where there's life . . . there's bugs", or any slogan or trademark deceptively similar thereto, or any colorable imitation of plaintiff's slogan and trademark; and from otherwise competing unfairly with plaintiff or from infringing plaintiff's slogan and trademark "Where there's life . . . there's Bud" and "Where there's life . . . there's Budweiser"; or from any other act in relation to plaintiff and plaintiff's use of these slogans, which might otherwise result in unfair competition or unfair trade practices; and

2. Hereafter issuing any press release, having any interview for any kind of news media or publication, or otherwise giving any publicity to this law suit, or to the

words "Where there's life . . . there's bugs", or any words deceptively similar thereto.

It is further

ORDERED, ADJUDGED AND DECREED that this order shall be effective immediately, and it is further

ORDERED, ADJUDGED AND DECREED that plaintiff is entitled to no damages nor attorneys' fees

Costs of this action shall be taxed to defendant upon receipt of settle order to be prepared by the parties by stipulation, if possible, or determined at hearing before this court.

DONE and ORDERED in Chambers at Tallahassee Florida, this 24th day of March, 1961.

/s/ G. HARROLD CARSWELL
G. Harrold Carswell
United States District Judge

## APPENDIX B

(Opinion of the United States Court of Appeals for the Fifth Circuit)

IN THE

# United States Court of Appeals

FOR THE FIFTH CIRCUIT

No. 19007

CHEMICAL CORPORATION OF AMERICA,
*Appellant,*

VERSUS

ANHEUSER-BUSCH, INCORPORATED,
*Appellee.*

Appeal from the United States District Court for the Northern District of Florida.

(August 15, 1962)

Before TUTTLE, Chief Judge, BROWN and BELL, Circuit Judges.

TUTTLE, Chief Judge: This is a suit brought by the appellee, Anheuser-Busch, Incorporated, the owner of the slogan, "Where there's life . . . there's Bud," used in the sale of Budweiser beer, seeking to enjoin, as an infringement, a slogan subsequently adopted and used by the defendant-appellant in the sale of a combined floor

wax and insecticide, "Where there's life . . . there's bugs." After a full trial on the merits, the trial judge granted a permanent injunction against the use of the "Bugs" slogan by the appellant.

The record on appeal fully warrants findings by the trial court of the following facts quoted from the court's "Findings of Fact:"

> "Plaintiff is engaged in the manufacture and sale of various food and beverage products. The most notable of its products is Budweiser beer. This beer is also advertised and marketed under the name of "Bud" as well as Budweiser beer. Both of these names have been registered as trademarks in accordance with the provisions of the Lanham Act, 15 U.S.C. Section 1051, et seq. In October, 1960, after this suit was commenced, plaintiff registered 'Where there's life . . . there's Bud' and 'Where there's life . . . there's Budweiser' on the supplemental register under the provisions of the Lanham Act.
>
> "In 1933 plaintiff began using the slogan 'Where there's life . . . there's Budweiser' in its advertising. From 1933 to 1956 plaintiff used the slogan infrequently. In 1956 plaintiff undertook sales campaigns employing the slogans and trademarks 'Where there's life . . . there's Bud'. Plaintiff, having found that the slogans were effective in successfully marketing its product, spent in excess of $40,000,000.00 in advertising which contained the two slogans. Plaintiff advertised Budweiser beer with the slogans and trademarks on radio stations, television, national billboards, newspapers and national circulated magazines. The evidence shows that plaintiff's

sales have increased since 1956 and a great portion of the increase is attributable to the success of plaintiff's advertising.

"The slogans were not affixed directly on the bottles or upon the beer cans, nor upon the labels on the bottles and cans. Some of the cartons and containers used in packaging and for carrying plaintiff's beer bore one or more of the slogans. These cartons and containers cost plaintiff approximately $9,000,000.00.

"In an effort to determine the effectiveness of the advertising program, plaintiff employed advertising surveys to determine whether the public was acquainted with the plaintiff's slogans, and whether the public associated the slogans with plaintiff's product. The results of the surveys showed that a substantial portion of the public was not only acquainted and familiar with the slogans but also associated the slogans with Budweiser beer.

"The court finds that as a result of the wide dissemination of advertising employing the slogans, for the long period which plaintiff has used the slogans in advertising its product, that the public did, in fact, know the slogans, associated the slogans with the products, and associated plaintiff as the source of the advertising.

"The court also finds that the slogans which were placed upon the containers and cartons were sufficient to identify the product.

"Defendant is engaged in the manufacture and sale of a floor wax which contains an insecticide.

The product is sold under the name of Freewax. It has heretofore been marketed primarily in the Southern part of the United States. Defendant had been using the slogan 'Life on Floors . . . Death on Bugs' to advertise its product.

"At the time that the idea to use 'Where there's life . . . there's Bugs' arose, defendant knew that plaintiff was using the slogans 'Where there's life . . . there's Bud' and 'Where there's life . . . there's Budweiser'.

"On July 7, 1960, defendant, after warnings by plaintiff not to use the slogan, advertised Freewax on television in the Tallahassee, Florida — Thomasville, Georgia area.

"The court finds from listening to the tapes, and from watching the film strips, that defendant's use of the slogan was confusingly similar to plaintiff's. This is not to say that the tunes or the words in the advertising were exactly the same, but from the rhythm, meter and the pictures which appeared at the time that the slogan was used, when taken as a whole, created the impression that defendant's advertising had some connection with the plaintiff or plaintiff's product. Some of defendant's film strips show drinking glasses being filled, people dancing, and a simultaneous use of the slogan 'Where there's life . . . there's Bugs'. These films follow a format which plaintiff had employed for some four years. The court finds that the advertising of defendant is deceptively similar, so as to confuse the advertising of plaintiff and defendant.

"The court also finds that the value and effec-

tiveness of plaintiff's prior advertising is impaired to some extent by the deceptively similar phraseology and treatment employed by defendant in its advertising. Unless enjoined, there is sufficient likelihood to damage to plaintiff, despite the fact that the court finds that no recompensable damages were incurred by plaintiff.

"The goods of plaintiff and the goods of defendant are not competitive, but the goods of plaintiff and defendant are sold at the same retail outlets and the association of bugs with Bud or Budweiser is sufficient to merit the apprehension that the ill repute of one type of goods is likely to be visited upon the other."

Without making any significant attack on the findings of fact, appellant here contends that these facts do not, under the Florida law, which appellant contends is the standard to be applied, provide basis for the granting of an injunction. Appellant's basic contention is that since it is clear that plaintiff and defendant are not in actual competition in the sale of their products — the one selling beer and the other selling a combined insecticide and floor wax — it has every right to appropriate and make use in any way it sees fit of the slogan which the appellee has popularized by the expenditures of effort and money over the years, regardless of any resulting injury or damage to the appellee caused by any confusion as to the source of the insecticide or by any dilution of or depreciation of the value of the slogan.

Appellee contends, on the contrary, that it has: (1) a federal right under the Lanham Act, 15 U. S. C. A. § 1114 (1), which point was ruled against it by the trial

court, and (2) a state common law action under the Florida law. It contends that the trial court properly found threatened injury to its common law trademark or business slogan and acts of unfair competition justifying the intervention of a court of equity. We shall first discuss the issue on the assumption that it is controlled solely by the Florida laws as in a diversity case.

We first dispose of the appellant's contention that the appellee is here seeking to preempt for itself exclusive use of any slogan containing the words "Where there's life." This is clearly not embraced in any claim made by the appellee. The appellee says merely that the complete slogan, "Where there's life . . . there's Bud," has, through its wide and repeated use, particularly by radio and television programs, become in fact identified with its product, Budweiser beer, and with it as the manufacturer of the product. It says that the defendant's use of a slogan that is deceptively similar to the *entire* slogan created by it is the thing to be restrained. It is obvious to any listener or reader that from any point of view from which it may be heard or seen it is the completed "bugs" slogan that is deceptively familiar with the "Bud" slogan, rather than merely the use of the words, "Where there's life." We conclude, therefore, that any protection that may be afforded to the appellee on the facts of this case would not, as fully recognized by the appellee, result in the appropriation of the words, "Where there's life," in combination with all other words by the appellee to the exclusion of all others.

The main thrust of the appellant's argument in this Court is that the absence of direct competition between Anheuser-Busch and Chemical Corporation of America

in the sale by the former of beer and the sale by the latter of floor wax, prevents a court of equity, applying Florida law, from enjoining a deceptively similar slogan used by the latter in the sale of its products, notwithstanding the finding of the trial court that the adoption of the "bugs" slogan was with knowledge of the "Bud" slogan, and that the use of the "bugs" slogan would cause confusion in the minds of the public as to the source of the floor wax product and would damage the "public image" of the appellee by associating in the minds of the public the idea of bugs with a food product.

Appellant supports this thesis by referring to Florida cases in which the courts stress the matter of competition in cases in which the owner of a trademark has attempted to prevent its use by another in the sale of the same or similar products, particularly *Stagg Shop of Miami, Inc. v. Moss*, 120 So. 2d 39, a case decided by the District Court of Appeals of Florida for the Third District, and *Webb's City v. Bell Bakeries*, 5 Cir., 226 F. 2d 700, a case decided by this Court in which we applied the Florida law. These cases do not reach the issues here presented. They both dealt with suits by the prior owner of a trademark in a particular locality to prevent the use of a similar name or mark by another person selling the same products, either in a different area or under circumstances in which the trial court found that there was in fact no customer confusion. The Stagg case dealt with a claim by the owners of a store which bore the name "Stagg Shop of Miami, Inc." and which the Court found to have served customers principally within the Miami area, and later under a similar name in the Coral Gables area. The plaintiff sought injunctive protection against a later user of a similar name upon his opening a store for

the same type of merchandise with the same name in West Palm Beach, Florida. The plaintiffs in the case pitched their claim for an injunction on the contention that there was a possibility of close competition in the future, so as to entitle them to the requested relief. They thus sought to preempt a name in an area in which their name had not thus far been recognized or established to prevent another person from using a similar name. Under such circumstances the Court properly held that actual competition was the gist of the action. It did not hold, as it could not under the case before it, that there would be no other basis for an action under the Florida law for unfair competition or an injunction to prevent appropriation by a second user of a similar slogan or name where there was an actual threatened confusion of the source of the product or threatened injury to the good name of the first user.

Thus, too, was the holding of this Court in the Webb's City case restricted to a situation in which an injunction was sought based on the contention that the appropriation by the plaintiff of the name "Dandy" was an absolute preemption which could be enforced by injunction against any other user without the necessity of showing any confusion or threat of confusion. In such a case this Court properly said:

> "The gravamen of the tort in all cases is customer confusion, and this having been affirmatively disproved, there was no actionable wrong shown."

It must be remembered that there was no other allegation or proof of damage or injury to the plaintiff, Webb's City, except that the other party was threatening or was actually using a similar name.

Such is not the case here. The gist of this action is that the plaintiff has a property interest in the slogan, built up at great expense, and that it and its products are favorably known as a result of its use of this property right and that the defendant, with full knowledge of the right and with the purpose of appropriating some of the value engendered in the minds of the public by its use has used, and proposes further to make use of, a deceptively similar slogan in a manner that will bring direct financial loss to the plaintiff, both by reason of confusing the source of the defendant's product, and by reason of the peculiarly unwholesome association of ideas when the word "bugs" was substituted in the slogan for the word "Bud," referring to a food product. Upon consideration of this theory of the case, the trial court considered it as an action for unfair competition and said:

> "The defendant urges that since its floor wax and plaintiff's beer are not competitive products that plaintiff is, therefore, denied protection otherwise plainly available to it under well defined standards of unfair competition. This, the court finds to be a misapplication of the equitable doctrine of unfair competition. Parties need not be in direct competition for the doctrine to be effective. *Bulova Watch Co., Inc., v. Stoltzberg*, 69 F. Supp. 543 (D.C. Mass. 1947). It was the basic unfairness in the commercial world of which this court took cognizance."

We think this view by the trial court is amply supported by the decisions of the Florida courts showing great concern for the rights of a person who after establishing a substantial market by an expensive advertising campaign and otherwise enjoying an established business identified

with the name, slogan, or other attribute of good will, is then damaged by the use by another of his name or slogan.

Thus, the Florida Supreme Court, in *Sun Coast, Inc. v. Shupe, et al*, 52 So. 2d 805, a case in which the court found that the defendant had not done any illegal act, stated the test in a negative manner. It said:

> "As applied to the particular circumstances of this case, we are convinced that appellants have alleged nothing to show that the public would be tricked or appellants' affairs damaged, or even complicated, because a person trading with appellees in real estate might think he was dealing with appellant, a hotel proprietor."

To the contrary, in the case now before us, the Court has found on a record amply supporting its findings, that the public would be "tricked" and that the appellee's "affairs would be damaged," and certainly "complicated," by the threatened action of the appellant. So, too, did the Supreme Court of Florida show its concern for preventing unfair competition in *Sentco, Inc. v. McCulloh*, 68 So. 2d 577 when a later comer appropriated the name and format of an earlier competitor, even though there were no patent or trademark rights owned by the earlier user. The Court treated the action as an action for unfair competition and said:

> "We are dealing more with the broader question of unfair competition, where fairness, decency and common honesty are involved." 68 So. 2d 577, 580.

These cases make it clear that in Florida a cause of action may exist where simulation of another's name or slogan

causes damage on grounds entirely separate from actual confusion between competitors as to the source of the product. For the further proposition that the concept of competition with respect to the particular product need not exist to warrant actions of this kind, see *Tampa Cigar Co., Inc. v. John Walker & Sons*, 5 Cir., 222 F. 2d 460 (an action brought for trademark infringement and also for unfair competition), and *Pure Foods, Inc. v. Minute Maid Corp.*, 5 Cir., 214 F. 2d 792, cert. denied 348 U. S. 888 (a Florida Lanham Act case).

This Court has held in *Creamette Co. v. Conlon, et al*, 5 Cir., 191 F. 2d 108, that "the law of that state [Florida] applicable to claims of and protection from unfair competition are to the same effect as those prevailing in American jurisprudence generally." Our research indicates that this is as true today as it was when that decision was written in 1951. We think, therefore, that the trial court properly construed the facts in this case as coming within the Restatement of the Law of Torts, Vol. III, Section 730, pp. 597, 598, Section 731, where it is stated:

> "One's interest in a trademark or tradename came to be protected against simulation, . . . not only on competing goods, but on goods so related in the market to those on which the trademark or trade name is used that the good or ill repute of the one type of goods is likely to be visited upon the other.
>
> Thus one's interest in a trademark or trade name is protected against being subjected to the hazards of another's business."

We are aware of the fact that the Court should not be swayed by its instinctive reaction upon reading the record that this is a brazen and cheap effort by the defend-

ant below to capitalize on the good will created by the tremendous expenditure in advertising by the plaintiff. This, of course, is not enough to warrant the grant of relief, but any conduct that is of such a nature as to fairly reek with unfairness and a callous indifference to the damage that might occur to others from the action taken by it will naturally be examined most carefully by a trial court and by an appellate court whose duty it is to determine whether such conduct falls afoul of any established legal principles. Finding, as we do, the liberal trend in the equity courts of the state of Florida, towards the protection of trade names and slogans from unfair attacks by others, we are not reluctant to conclude that what is morally reprehensible is also legally impermissible. We conclude that the trial court was fully authorized in the entering of the final injunction against the continuing of such unfair practices by the appellant.

We next come to a consideration of the contention by the appellee that the trial court improperly excluded consideration of its right of recovery based on the Lanham Act. In view of our determination that the trial court had jurisdiction under 28 U.S.C.A. § 1332, by reason of diversity of citizenship, it may not be necessary for the Court to find jurisdiction under the Lanham Act. However, the appellee urges upon us its right to proceed under the provisions of the federal law.

The trial court found that since there had been no registration prior to the commencement of the suit, and there had been a temporary restraining order until the date of the trial which prevented any infringement during that period of time, the registration acquired approximately a month before the trial on the merits on the

temporary injunction, would not give rise to a cause of action under a federal statute. We think that, the suit having been amended to allege the registration under the Lanham Act, the complaint alleged sufficient threats and intentions on the part of the defendant to violate the very terms of the Lanham Act so as to constitute an allegation of sufficient facts upon which relief could have been granted by the trial court under that Act alone. An equity court, in considering injunctive relief, views the case as of the time of the granting of the relief. At that time there was ample proof that but for the temporary restraining order, the defendant would do the acts which would constitute a violation of the Lanham Act. We think, therefore, that the threat of infringement could be the basis of an injunction. Certainly it would not be necessary for the plaintiff, in such case, to wait until actual infringement had occurred before bringing the action to enjoin.

The appellant also complains of an order of the trial court enjoining the defendant from:

> "Hereafter issuing any press release, having any interview for any kind of news media or publication, or otherwise giving any publicity to this law suit, or to the words 'Where there's life . . . there's Bugs,' or any words deceptively similar thereto."

Within the power of the trial court to enjoin an infringement, there necessarily resides the power to make such injunction effective to prevent any publication that itself infringes the plaintiff's trade name or trade slogan. We conclude that this injunctive order forbidding press releases publicizing the very slogan which the Court found to be an infringing one, falls within the compe-

tence of the trial court. The inclusion of this part of the order, therefore, was not error.

The judgment of the trial court is

AFFIRMED.

A true copy

Test: EDWARD W. WADSWORTH
Clerk, U. S. Court of Appeals, Fifth Circuit
By Clara R. James, Deputy.
Dec 3 1962
New Orleans, Louisiana

## APPENDIX C

IN THE

# United States Court of Appeals

FOR THE FIFTH CIRCUIT

October Term, 1961

No. 19,007

D. C. Docket No. 756 Tallahassee Civil

CHEMICAL CORPORATION OF AMERICA,
*Appellant*,

VERSUS

ANHEUSER-BUSCH, INCORPORATED,
*Appellee*.

Appeal from the United States District Court for the Northern District of Florida.

Before TUTTLE, Chief Judge, and BROWN and BELL, Circuit Judges.

## JUDGMENT

This cause came on to be heard on the transcript of the record from the United States District Court for the Northern District of Florida, and was argued by counsel;

ON CONSIDERATION WHEREOF, It is now here ordered and adjudged by this Court that the judgment of the said District Court in this cause be, and the same is hereby, affirmed;

It is further ordered and adjudged that the appellant, Chemical Corporation of America, and the surety on the cost bond herein, Aetna Insurance Company, be condemned to pay the costs of this cause in this Court for which execution may be issued out of the said District Court.

August 15, 1962

Issued:

## APPENDIX D

U. S. Court of Appeals
FILED
Nov 19 1962
EDWARD W. WADSWORTH, *Clerk*

[313]—Tuttle

IN THE

# United States Court of Appeals

FOR THE FIFTH CIRCUIT

NO. 19,007

CHEMICAL CORPORATION OF AMERICA,
*Appellant,*

v.

ANHEUSER-BUSCH, INCORPORATED,
*Appellee.*

Appeal from the United States District Court for the Northern District of Florida

(November 19, 1962)

### ON PETITION FOR REHEARING

Before TUTTLE, Chief Judge, BROWN and BELL, Circuit Judges.

PER CURIAM:

It is ORDERED that the petition for rehearing filed in the above stated case be, and the same is, hereby DENIED.

## APPENDIX "E"

(The following constitutional provisions, statutes and rules of court which this case involves are set out verbatim herein.)

(1) JURISDICTION:

28 U.S.C. §1332 (a) (1), June 25, 1948, c. 664, 62 Stat. 930, as amended July 26, 1956, c. 740, 70 Stat. 655, July 25, 1958, 72 Stat. 415, is as follows:

"§1332. Diversity of citizenship; amount in controversy; . . .

"(a) The district courts shall have original jurisdiction of all civil actions where the matter in controversy exceeds the sum or value of $10,000, exclusive of interest and costs, and is between —

"(1) citizens of different States;"

15 U.S.C. §1121, July 5, 1946, c. 541, Title VI, §39, 60 Stat. 440, a portion of the Lanham Act, is as follows:

"§1121. Same; jurisdiction of Federal courts

"The district and territorial courts of the United States shall have original jurisdiction, the circuit courts of appeal of the United States and the United States Court of Appeals for the District of Columbia shall have appellate jurisdiction, of all actions arising under this chapter, without regard to the amount in controversy or to diversity or lack of diversity of the citizenship of the parties."

Fed. Rules Civ. Proc. Rule 15, 28 U.S.C.A., is as follows:

"Rule 15. Amended and Supplemental Pleadings

"(a) Amendments. A party may amend his pleading once as a matter of course at any time before a responsive pleading is served or, if the pleading is one to which no responsive pleading is permitted and the action has not been placed upon the trial calendar, he may so amend it at any time within 20 days after it is served. Otherwise a party may amend his pleading only by leave of court or by written consent of the adverse party; and leave shall be freely given when justice so requires. A party shall plead in response to an amended pleading within the time remaining for response to the original pleading or within 10 days after service of the amended pleading, whichever period may be the longer, unless the court otherwise orders.

"(b) Amendments to Conform to the Evidence. When issues not raised by the pleadings are tried by express or implied consent of the parties, they shall be treated in all respects as if they had been raised in the pleadings. Such amendment of the pleadings as may be necessary to cause them to conform to the evidence and to raise these issues may be made upon motion of any party at any time, even after judgment; but failure so to amend does not affect the result of the trial of these issues. If evidence is objected to at the trial on the ground that it is not within the issues made by the pleadings, the court may allow the pleadings to be amended and shall do so freely when the presentation of the merits of the action will be subserved thereby and the objecting party fails to satisfy the court that the admission of such evidence would prejudice him in main-

taining his action or defense upon the merits. The court may grant a continuance to enable the objecting party to meet such evidence.

"(c) Relation Back of Amendments. Whenever the claim or defense asserted in the amended pleading arose out of the conduct, transaction, or occurrence set forth or attempted to be set forth in the original pleading, the amendment relates back to the date of the original pleading.

"(d) Supplemental Pleadings. Upon motion of a party the court may, upon reasonable notice and upon such terms as are just, permit him to serve a supplemental pleading setting forth transactions or occurrences or events which have happened since the date of the pleading sought to be supplemented. If the court deems it advisable that the adverse party plead thereto, it shall so order, specifying the time therefor."

Amended Rule Jan. 21, 1963:

A proposed amendment to Rule 15 (d) which was transmitted to Congress January 21, 1963, is as follows (the italicized words being added and the blank space indicates where "thereto" was deleted):

"Rule 15. Amended and Supplemental Pleadings

"(d) Supplemental Pleadings. Upon motion of a party the court may, upon reasonable notice and upon such terms as are just, permit him to serve a supplemental pleading setting forth transactions or occurrences or events which have happened since the date of the pleading sought to be supplemented. *Permission may be granted even though the original pleading is defective in its statement of a claim for*

*relief or defense*. If the court deems it advisable that the adverse party plead ..... *to the supplemental pleading*, it shall so order, specifying the time therefor."

28 U.S.C. §1653, June 25, 1948, c. 646, 62 Stat. 944, is as follows:

"§1653. Amendment of pleadings to show jurisdiction

"Defective allegations of jurisdiction may be amended, upon terms, in the trial or appellate courts."

(2) MERITS OF ALLEGED CAUSE OF ACTION:

(a) Pertinent parts of Lanham Trademark Act, Public Law 489, 79th Congress (Ch. 540, 2d Sess., 60 Stat. 427) are as follows:

15 U.S.C. §1114(1), July 1946, Title VI, §32, 60 Stat. 437, is as follows:

"§1114. Remedies; infringement; innocent infringement by printers and publishers

"(1) Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods or services; or (b) reproduce, counterfeit, copy, or colorably imitate any such mark and apply such reproduction, counterfeit, copy, or colorable imitation

to labels, signs, prints, packages, wrappers, receptacles, or advertisements intended to be used upon or in connection with the sale in commerce of such goods or services, shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided in this chapter, except that under subsection (b) of this section the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such mark is intended to be used to cause confusion or mistake or to deceive purchasers."

Amended Section:

Public Law 87-772, 76 Stat. 769, October 9, 1962, Sec. 17 thereof amended the foregoing section as follows:

"Sec. 17. Subsection (1) of section 32 is amended by striking the entire subsection and inserting in lieu thereof the following:

'Any person who shall, without the consent of the registrant—

'(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

'(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements in-

tended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive.'

shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) hereof, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.' "

15 U.S.C. §1117, July 1946, Title VI, §35, 60 Stat. 439, is as follows:

§1117. Same; recovery for violation of rights; profits, damages and costs

"When a violation of any right of the registrant of a mark registered in the Patent Office shall have been established in any civil action arising under this chapter, the plaintiff shall be entitled, subject to the provisions of sections 1111 and 1113 (1) (b) of this title, and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action. The court shall assess such profits and damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost or deduction claimed. In assessing damages the court may enter judgment, according to the circumstances of the case, for any

sum above the amount found as actual damages, not exceeding three times such amount. If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case. Such sum in either of the above circumstances shall constitute compensation and not a penalty."

Amended Section:

Public Law 87-772, 76 Stat. 769, October 9, 1962, Sec. 19 thereof amended the typographical error to make "Sec. 31 (1) (b)" [15 U.S.C. 1113 (1) (b)], to read "Sec. 32" [15 U.S.C. §1114], as follows:

"Sec. 19. Section 35 is amended by striking '31 (1) (b)' and inserting in lieu thereof '32'."

15 U.S.C. §1126 (b), (h), (i), July 5, 1946, c. 540, Title IX, §44, 60 Stat. 441, is as follows:

"(b) Persons who are nationals of, domiciled in, or have a bona fide and effective business or commercial establishment in any foreign country, which is a party to (1) the International Convention for the Protection of Industrial Property, signed at Paris on March 20, 1883; or (2) the General Inter-American Convention for Trade Mark and Commercial Protection signed at Washington on February 20, 1929; or (3) any other convention or treaty relating to trademarks, trade or commercial names, or the repression of unfair competition to which the United States is a party, shall be entitled to the benefits and subject to the provisions of this chapter to

the extent and under the conditions essential to give effect to any such conventions and treaties so long as the United States shall continue to be a party thereto, except as provided in the following subsections of this section.

"(h) Any person designated in subsection (b) of this section as entitled to the benefits and subject to the provisions of this chapter shall be entitled to effective protection against unfair competition, and the remedies provided in this chapter for infringement of marks shall be available so far as they may be appropriate in repressing acts of unfair competition.

"(i) Citizens or residents of the United States shall have the same benefits as are granted by this section to persons described in subsection (b) of this section."

Amended Section:

Public Law 87-772, 76 Stat. 769, October 9, 1962, Sec. 20 thereof amended the foregoing subsection (b) of Title 15, §1126 as follows:

"Sec. 20. Subsection (b) of section 44 is amended by striking said subsection in its entirety and inserting in lieu thereof the following:

'(b) Any person whose country of origin is a party to any convention or treaty relating to trademarks, trade or commercial names, or the repression of unfair competition, to which the United States is also a party, or extends reciprocal rights to nationals of the United States by law, shall be entitled to the benefits of this section under the

conditions expressed herein to the extent necessary to give effect to any provision of such convention, treaty or reciprocal law, in addition to the rights to which any owner of a mark is otherwise entitled by this Act.' "

Portions of 15 U.S.C. §1127, as follows:

"The term 'trade-mark' includes any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.

"The term 'service mark' means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others and includes without limitation the marks, names, symbols, titles, designations, slogans, character names, and distinctive features of radio or other advertising used in commerce.

"The term 'colorable imitation' includes any mark which so resembles a registered mark as to be likely to cause confusion or mistake or to deceive purchasers.

"The intent of this chapter is to regulate commerce within the control of Congress by making actionable the deceptive and misleading use of marks in such commerce; to protect registered marks used in such commerce from interference by State, or territorial legislation; to protect persons engaged in such commerce against unfair competition; to prevent fraud and deception in such commerce by the use of reproductions, copies, counterfeits, or colorable imitations of registered marks; and to provide

rights and remedies stipulated by treaties and conventions respecting trade-marks, trade names, and unfair competition entered into between the United States and foreign nations."

Amended Section:

Public Law 87-772, 76 Stat. 769, October 9, 1962, Sec. 21 thereof amended the foregoing portion of Title 15, §1127, with respect to the definition of service mark and colorable imitation, the 11th and 17th paragraphs thereof, as follows:

"The eleventh paragraph of said section, being the definition of 'service mark,' is amended by striking the definition in its entirety and inserting in lieu thereof:

" 'The term "service mark" means a mark used in the sale or advertising of services to identify the services of one person and distinguish them from the services of others. Titles, character names and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.' "

"The seventeenth paragraph of said section, relating to the meaning of the term 'colorable imitation,' is amended by changing 'terms' to 'term' and deleting the word 'purchasers' at the end thereof."

(b) Florida Statutes:

Florida Stat. Ann. Section 2.01 is as follows:

"The common and statute laws of England which are of a general and not a local nature, with the ex-

ception hereinafter mentioned, down to the fourth day of July, 1776, are declared to be of force in this state; provided, the said statutes and common law be not inconsistent with the Constitution and laws of the United States and the Acts of the Legislature of this state."

Section 25.031 Florida Statutes 1959, F.S.A. (1A F.S.A. §25.031) is as follows:

"*Supreme Court authorized to receive and answer certificates as to State law from federal appellate courts.*

"The Supreme Court of this state may, by rule of court, provide that, when it shall appear to the Supreme Court of the United States, to any Circuit Court of Appeals of the United States, or to the Court of Appeals of the District of Columbia, that there are involved in any proceeding before it questions or propositions of the laws of this State, which are determinative of the said cause, and there are no clear controlling precedents in the decisions of the Supreme Court of this State, such federal appellate court may certify such questions or propositions of the laws of this State to the Supreme Court of this State for instructions concerning such questions or propositions of state law, which certificate the Supreme Court of this state, by written opinion, may answer."

Rule 4.61 of Florida Appellate Rules, 1962 Revision, 31 F.S.A. (in re. Fla. Appellate Rules) is as follows:

"Rule 4.61 Certified Questions from Federal Courts"

"a. When certified. When it shall appear to the

Supreme Court of the United States, or to any of the Courts of Appeal of the United States that there are involved in any proceeding before it questions or propositions of law of this State which are determinative of said cause and that there are no clear controlling precedents in the decisions of the Supreme Court of this State, such Federal appellate court may certify such questions or propositions of law of this State to the Supreme Court of Florida for instructions concerning such questions or propositions of state law.

"b. Jurisdiction. Questions or propositions of law referred to in sub-paragraph a hereof shall be certified for answer to the Supreme Court of this State.

"c. Method of Invoking Rule. The provisions of this rule may be invoked by any of the federal courts referred to in sub-paragraph a hereof upon its own motion or upon the suggestion or motion of any interested party when approved by such Federal court.

"d. Contents of Certificate. The certificate provided for herein shall contain the style of the case, a statement of facts showing the nature of the cause and the circumstances out of which the questions or propositions of law arise and the questions of law to be answered.

"e. Preparation of Certificate. The certificate may be prepared by stipulation or as directed by such federal court. When prepared and signed by the presiding judge of said federal court, it shall be certified to the Supreme Court by the Clerk of the federal court and under its official seal. The Supreme Court may, in its discretion, require the original or

copies of all or any portion of the record before the federal court to be filed with said certificate where, in its opinion, such record may be necessary in the determination of said cause.

"f. Costs of Certificate. The costs of the certificate and filing fee shall be equally divided between the parties unless otherwise ordered by this Court.

"g. Briefs and Argument. The appellant or moving party in the federal court shall file and serve upon its adversary its brief on the question certified within thirty days after the filing of said certificate in the appellate court of this State having jurisdiction. The appellee or responding party in the federal court shall file and serve upon its adversary its brief within 20 days after the receipt of appellant's or moving party's brief and a reply brief shall be filed within ten days thereafter.

"h. Oral Argument. Oral argument may be granted upon application and, unless for good cause shown the time be enlarged by special order of the court prior to the hearing thereon, the parties shall be allowed the same time as in other causes on the merits. Added effective March 1, 1961."
(Pocket part 31 F.S.A. Florida Appellate Rules)

Said above rule adopted and recompiled by order of the Supreme Court of Florida, June 18, 1962, see pp. 34 and 35 of pocket part of Vol. 31 Florida Statutes Annotated.

(3) PUBLICITY TO THE INSTANT LAWSUIT:

U. S. Constitutional Amendments, as follows:
U. S. Const. Amend I:

"AMENDMENT I—FREEDOM OF RELIGION, SPEECH AND PRESS; PEACEFUL ASSEMBLAGE; PETITION OF GRIEVANCES

"Congress shall make no law . . . abridging the freedom of speech, or of the press; . . ."

U. S. Const. Amend. V:

"AMENDMENT V—CAPITAL CRIMES; DOUBLE JEOPARDY; SELF-INCRIMINATION; DUE PROCESS; JUST COMPENSATION FOR PROPERTY

"No person shall be . . . deprived of . . . property, without due process of law; . . ."

U. S. Const. Amend. XIV, §1:

"AMENDMENT XIV—CITIZENSHIP; PRIVILEGES AND IMMUNITIES; DUE PROCESS; EQUAL PROTECTION; APPORTIONMENT OF REPRESENTATION, DISQUALIFICATION OF OFFICERS; PUBLIC DEBT; ENFORCEMENT

"Section 1. . . . nor shall any State deprive any person of . . . property, without due process of law; nor deny to any person within its jurisdiction the equal protection of the laws."

## CERTIFICATE OF SERVICE

I, HOUSTON WHITE, a member of the bar of this Honorable Court, of counsel for petitioner herein, Chemical Corporation of America, hereby certify that a copy of the foregoing petition for certiorari has been furnished to J. Lewis Hall, Esq., of Hall, Hartwell and Douglass, P.O. Box 1228, Tallahassee, Florida; Owen J. Ooms, Esq., of Ooms, Welsh & Bradway, One North LaSalle Street, Chicago 2, Illinois; and Roy A. Lieder, Esq., of Gravely, Lieder & Woodruff, 705 Olive Street, St. Louis 1, Missouri, Attorneys for Respondent, Anheuser-Busch, Incorporated, by United States Mail, with first class air mail postage prepaid to said above stated counsel at their said respective post office addresses, in accordance with rules 21 and 33 of this Court.

This ... day of February, 1963.

HOUSTON WHITE,
Of Counsel For
Chemical Corporation of America,
Petitioner

Office
MAR 1 1963
JOHN F. DAVIS, CLERK

IN THE

# Supreme Court of the United States

OCTOBER TERM, 1962

## No. 836

CHEMICAL CORPORATION OF AMERICA,
*Petitioner,*

vs.

ANHEUSER-BUSCH, INCORPORATED,
*Respondent.*

## RESPONDENT'S BRIEF IN OPPOSITION TO THE PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

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## SUBJECT INDEX


PAGE

INTRODUCTION ..... 1

SUMMARY OF FACTUAL BACKGROUND ..... 2

REPLY TO QUESTIONS PRESENTED ..... 6

The Jurisdiction Of The District Court Was Properly Predicated Upon Diversity Of Citizenship And Amount Or Value In Controversy, As Well As Upon The Lanham Act. ..... 6

The Courts Below Applied The Proper Law In Finding Petitioner's Slogan "Where There's Life . . . There's Bugs" To Be An Infringement Of "Where There's Life . . . There's Bud", As Well As To Constitute Unfair Competition By Petitioner. ..... 12

There Was No Error By The Court Of Appeals In Refusing To Certify Any Question To The Supreme Court Of Florida. ..... 16

CONCLUSION ..... 18


TABLE OF CASES.


*Clay* v. *Sun Insurance Office Limited*, 363 U.S. 207 (1960) ..... 16

*Creamette Co.* v. *Colin et al.*, 191 F.2d 108 (CA 5, 1951) ..... 17

*Gardner Sign Co.* v. *Claude Neon Lights, Inc.*, 36 F.2d 827 (D.C. W.D. Penna., 1929) ..... 15

*Green* v. *American Tobacco Company*, 304 F.2d 70 (CA 5, 1962) ..... 16

*KVOS, Inc.* v. *Associated Press*, 299 U.S. 269 (1936) ..... 6, 7, 10

PAGE

*Price-Hollister Co.* v. *Warfield Corp.*, 18 F.2d 129 (D.C., N.Y., 1926) ..... 15

*R. H. Macy & Co., Inc.* v. *Colorado Clothing Mfg. Co.*, 68 F.2d 690 (CA 10, 1934) ..... 11

*Seven-Up Company* v. *Blue Note, Inc.*, 159 F.Supp. 248, affirmed 260 F.2d 584 (CA 7, 1959) ..... 6, 10

*Standard Oil Co. of New Mexico* v. *Standard Oil Co. of California*, 56 F.2d 973, 976 (CA 10, 1932) ..... 11

TABLE OF STATUTES.

Lanham Act (The Trademark Act of 1946), 15 USC 1114 (1) ..... 11

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CHEMICAL CORPORATION OF AMERICA,

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# RESPONDENT'S BRIEF IN OPPOSITION TO THE PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT.

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*To The Honorable Chief Justice of the United States and The Associate Justices of The Supreme Court of the United States:*

This cause of action is a typical case of trademark infringement and unfair competition, depending for decision entirely upon its own facts, and since two courts below have unanimously resolved the disputed questions of fact and the applicable law in favor of Respondent, the Petition for Writ of Certiorari should be denied.

The questions proposed by Petitioner are not those which this Court should consider, for the following reasons:

1. The case is only an ordinary trademark and unfair competition action involving entirely questions of fact, and since there were concurrent Findings of Fact by the courts below, the case should not be reviewed.

2. As to the application of law, there is no conflict between the decisions of the courts below and any decisions of this Court or any other Courts of any other Circuit.

3. This case does not involve either the validity or the interpretation of the Lanham Act.

4. There are no special and important reasons why the writ should be granted.

5. The petition does not conform with Rule 23 of this Court, especially paragraph No. 4.

**Summary of Factual Background.**

In view of the fact that there is no clear presentation of the factual background presented in Petitioner's brief*, and since the issues were clearly understood and defined by the courts below, we quote from the Court of Appeals' decision, which, in turn, adopted the District Court's Findings of Fact with respect to the factual background, as follows:

---

* The summary of pleadings and evidence included as appendices to Petitioner's brief (pp. 1a-34a) is rampant with error and self-serving statements. However, Respondent does not think it to be in the interests of this Court to burden the prolix Petition by an addendum which would be equally long, since the factual background quoted by the Court of Appeals above is sufficient for purposes of this Court to deny the writ.

"The record on appeal fully warrants findings by the trial court of the following facts quoted from the court's 'Findings of Fact:'

> "Plaintiff is engaged in the manufacture and sale of various food and beverage products. The most notable of its products is Budweiser beer. This beer is also advertised and marketed under the name of 'Bud' as well as Budweiser beer. Both of these names have been registered as trademarks in accordance with the provisions of the Lanham Act, 15 U.S.C. Section 1051, *et seq.* In October, 1960, after this suit was commenced, plaintiff registered 'Where there's life . . . there's Bud' and 'Where there's life . . . there's Budweiser' on the supplemental register under the provisions of the Lanham Act.
>
> "In 1933 plaintiff began using the slogan 'Where there's life . . . there's Budweiser' in its advertising. From 1933 to 1956 plaintiff used the slogan infrequently. In 1956 plaintiff undertook sales campaigns employing the slogans and trademarks 'Where there's life . . . there's Bud'. Plaintiff, having found that the slogans were effective in successfully marketing its product, spent in excess of $40,000,000.00 in advertising which contained the two slogans. Plaintiff advertised Budweiser beer with the slogans and trademark on radio stations, television, national billboards, newspapers and national circulated magazines. The evidence shows that plaintiff's sales have increased since 1956 and a great portion of the increase is attributable to the success of plaintiff's advertising.
>
> "The slogans were not affixed directly on the bottles or upon the beer cans, nor upon the labels on the bottles and cans. Some of the cartons and containers used in packaging and for carrying plaintiff's beer bore one or more of the

slogans. These cartons and containers cost plaintiff approximately $9,000,000.00.

"In an effort to determine the effectiveness of the advertising program, plaintiff employed advertising surveys to determine whether the public was acquainted with the plaintiff's slogans, and whether the public associated the slogans with plaintiff's product. The results of the surveys showed that a substantial portion of the public was not only acquainted and familiar with the slogans but also associated the slogans with Budweiser beer.

"The court finds that as a result of the wide dissemination of advertising employing the slogans, for the long period which plaintiff has used the slogans in advertising its product, that the public did, in fact, know the slogans, associated the slogans with the products, and associated plaintiff as the source of the advertising.

"The court also finds that the slogans which were placed upon the containers and cartons were sufficient to identify the product.

"Defendant is engaged in the manufacture and sale of a floor wax which contains an insecticide. The product is sold under the name of Freewax. It has heretofore been marketed primarily in the Southern part of the United States. Defendant had been using the slogan 'Life on Floors . . . Death on Bugs' to advertise its product.

"At the time that the idea to use 'Where there's life . . . there's Bugs' arose, defendant knew that plaintiff was using the slogans 'Where there's life . . . there's Bud' and 'Where there's life . . . there's Budweiser'.

"On July 7, 1960, defendant, after warnings by plaintiff not to use the slogan, advertised Free-

wax on television in the Tallahassee, Florida—Thomasville, Georgia area.

"The court finds from listening to the tapes, and from watching the film strips, that defendant's use of the slogan was confusingly similar to plaintiff's. This is not to say that the tunes or the words in the advertising were exactly the same, but from the rhythm, meter and the pictures which appeared at the time that the slogan was used, when taken as a whole, created the impression that defendant's advertising had some connection with the plaintiff or plaintiff's product. Some of defendant's film strips show drinking glasses being filled, people dancing, and a simultaneous use of the slogan 'Where there's life . . . there's Bugs'. These films follow a format which plaintiff had employed for some four years. The court finds that the advertising of defendant is deceptively similar, so as to confuse the advertising of plaintiff and defendant.

"The court also finds that the value and effectiveness of plaintiff's prior advertising is impaired to some extent by the deceptively similar phraseology and treatment employed by defendant in its advertising. Unless enjoined, there is sufficient likelihood to damage to plaintiff, despite the fact that the court finds that no recompensable damages were incurred by plaintiff.

"The goods of plaintiff and the goods of defendant are not competitive, but the goods of plaintiff and defendant are sold at the same retail outlets and the association of bugs with Bud or Budweiser is sufficient to merit the apprehension that the ill repute of one type of goods is likely to be visited upon the other."

As the Court of Appeals stated, Petitioner has not at any time controverted any of the "significant" findings set forth above. (Petitioner's Appendix 54a)

## REPLY TO QUESTIONS PRESENTED.

It would appear from a studied reading of Petitioner's brief that the alleged demanding questions presented for review boil down to jurisdiction, the Court's decision and application of the law to the merits of the case; and whether certain undefined questions should be certified to the Supreme Court of Florida. When these questions are stripped to their bare essentials it will be obvious that there are no questions to be reviewed by this Court under the ambit of Rule 19.

### The Jurisdiction of the District Court Was Properly Predicated Upon Diversity of Citizenship and Amount or Value in Controversy, as Well as Upon the Lanham Act.

It is Petitioner's contention that this Court should review the unanimous decisions of the courts below because there was no jurisdiction since the amount in controversy was not in excess of Ten Thousand Dollars ($10,000.00). Furthermore, Petitioner asserts that the Supreme Court case of *KVOS, Inc.* v. *Associated Press*, 299 U.S. 269, and the Seventh Circuit case of *Seven-Up Company* v. *Blue Note, Inc.*, 159 F. Supp. 248, aff'd. 260 F.2d 584 (C.A. 7, 1959) are in conflict with other decisions of other circuits relative to the determination of "the amount in controversy."

At the outset it must be brought to the attention of this Court that Petitioner, in its Answer to Respondent's Complaint, admitted diversity of citizenship and the amount in controversy. Specifically, Petitioner stated in its Answer:

> "The defendant (Petitioner) admits that this court has jurisdiction upon the ground of diversity of citizenship of the parties and the matter in controversy exclusive of interest and costs in the sum of Ten Thousand ($10,000.00) Dollars." (T. 328)

This jurisdictional question was not raised by Petitioner in the District Court or in the Court of Appeals until its Petition for Rehearing. It hardly behooves any of the lower courts to raise this belated question *sua sponte*.

Furthermore, the District Court made a specific finding that:

> "There is diversity of citizenship between the parties and the matter in controversy exceeds the sum of $10,000.00, exclusive of interest and costs." (T. 787).

This finding is based and bottomed upon the fact that Petitioner's ineipient and projected course of conduct could and would affect and destroy Respondent's trademark and good will in which was spent in excess of Forty Million Dollars ($40,000,000.00) in advertising alone.

There is no conflict between this Court's decision in *KVOS, Inc.* v. *Associated Press*, 299 U.S. 269 (1936), and the decisions of the various circuits, including the Fifth Circuit, as set forth on page 56 of Petitioner's brief. In the *KVOS* case plaintiff alleged that the amount in controversy exceeded Three Thousand Dollars ($3,000.00). This allegation was denied in a Motion to Dismiss because the complaint failed to set forth any facts to support the allegation that the amount in controversy exceeded Three Thousand Dollars ($3,000.00). Plaintiff, in reply thereto filed an affidavit which this Court stated was not sufficient to set forth facts supporting the jurisdictional amount. The Court stated:

"• • • Assuming, without deciding, that in the circumstances disclosed the respondent has standing to maintain a suit to redress or prevent damage caused its members by petitioner's conduct, the allegation of possible damage to them is wholly inadequate, because the asserted danger of loss of members is a mere conclusion unsupported by even a suggestion that withdrawal has been threatened by any newspaper, and no intimation is given of the character or extent of the damage they would suffer by such withdrawal. The respondent having failed to support the allegations as to amount in controversy the District Court should have dismissed the bill." (p. 279)

This is not the case in the present action. Respondent, in its complaint, specifically alleged facts in support of the amount in controversy, setting forth the fact that it has expended over Forty Million Dollars ($40,000,000.00) in advertising its slogan and trademark "Where there's life . . . there's Bud" (Paragraph 8, Complaint, T. 4). Respondent's complaint further averred that Petitioner's use of the slogan "Where there's life . . . there's bugs", was

". . . calculated and likely to and will dilute the good will created by plaintiff for its products as a result of plaintiff's slogan and trademark, and said continued use will impair the distinctiveness of said slogan and trademark as an identification of origin with plaintiff.

"Defendant, in promoting and selling its product in such an unlawful manner, calculates and is likely to and will have the effect of diluting, degrading and disparaging the products of plaintiff and will destroy the advertising theme and promotional efforts which plaintiff has built up over the years with the public as an identifying slogan and trademark for plaintiff's products." (Paragraphs 11, 12; T. 5).

Furthermore, the trial court, in granting Respondent a preliminary injunction, stated:

> "The court also finds that the value and effectiveness of plaintiff's prior advertising is impaired to some extent by the deceptively similar phraseology and treatment employed by defendant in its advertising." (T. 791).

The Court of Appeals, although it did not deal specifically with the question of the amount in controversy because this jurisdictional question was not raised by Petitioner in its appeal, nonetheless stated:

> "The gist of this action is that the plaintiff has a property interest in the slogan, built up at great expense, and that it and its products are favorably known as a result of its use of this property right and that the defendant, with full knowledge of the right and with the purpose of appropriating some of the value engendered in the minds of the public by its use has used, and proposes further to make use of, a deceptively similar slogan in a manner that will bring direct financial loss to the plaintiff, both by reason of confusing the source of the defendant's product, and by reason of the peculiarly unwholesome association of ideas when the word 'bugs' was substituted in the slogan for the word 'Bud,' referring to a food product." (Petitioner's Appendix, 58a)

Again we must repeat that Petitioner never raised the question of jurisdiction of the court or of the amount in controversy until its Petition for Rehearing before the Court of Appeals and here in its Petition for a Writ of Certiorari.

To set aside all doubt that the jurisdictional finding by the courts below was correct and that it is not in conflict with the other case cited by defendant, we turn to

the case of *Seven-Up Company* v. *Blue Note, Inc.*, 159 F. Supp. 248 (affirmed on appeal). This case involved the alleged passing off as "Seven-Up" of another beverage in a single retail establishment, the Blue Note restaurant. In the *Seven-Up* case, obviously, the trademark or property right was threatened with only a localized minor injury and not with destruction. In the present case, the Petitioner was about to embark on a nationwide advertising program and the evidence is clear from the testimony of the witnesses that the slogan "Where there's life . . . there's bugs" would impair and destroy Respondent's trademark and valuable good will throughout the United States. Both the District Court and the Court of Appeals made such findings, as set forth above.

There is, therefore, no conflict between this Court in the *KVOS* case and the *"Seven Up"* with other circuits as to a proper determination of the amount in controversy and it is obvious that Respondent in this regard has alleged and proved an amount in controversy in excess of Ten Thousand Dollars ($10,000.00).

Petitioner also alleged that there was no jurisdiction in this matter under the Lanham Act (the Trademark Act of 1946, 15 U.S.C. 1051 *et seq.*). The trial court held that jurisdiction was not based upon the Lanham Act because Respondent obtained its United States Trademark registration for "Where there's life . . . there's Bud," after Petitioner had been preliminarily enjoined, even though the registration issued about a month before the trial on the merits. Nonetheless, the trial court based its jurisdiction on the diversity of citizenship and the amount in controversy and enjoined Petitioner based on the common law and the law of Florida.

Respondent on appeal assigned as error this ruling of the trial court. The Court of Appeals, in order to answer all questions and assignments of error presented to it,

found that jurisdiction also attached under the Lanham Act. However, the Court of Appeals' decision (as was the trial court's) was based upon Respondent's right to an injunction under the common law and the law of Florida. Consequently, the alleged question presented by Petitioner that the Lanham Act should not have been applied is at best a theoretical question presented, inasmuch as the decision of the trial court and the Court of Appeals was not based upon federal law required under the Lanham Act.

It is submitted, however, that the Court of Appeals' decision is eminently sound. The Lanham Act states:

> "Any person who shall, in commerce * * * (b) reproduce, counterfeit, copy, or colorably imitate any such mark and apply such reproduction, counterfeit, copy or colorable imitation, to labels, signs, prints, packages, wrappers, receptacles, or *advertisements intended to be used* upon or in connection with the sale in commerce of such goods or services, shall be liable to a civil action by registrant * * *." (Emphasis ours) (15 USC 1114(1)).

Thus, the Lanham Act contemplates the bringing of an action for *intended infringing use*. Therefore, whenever a federal registration issues, the complaining party in a suit in equity can bring in and claim the benefit of the Lanham Act at the time of trial, based upon the federal registration. The complaining party need not wait until actual acts of infringement have been committed. This is consistent with law prior to the Lanham Act. *R. H. Macy & Co., Inc.* v. *Colorado Clothing Mfg. Co.*, 68 F.2d 690 (C.A. 10, 1934); *Standard Oil Co. of New Mexico* v. *Standard Oil Co. of California*, 56 F.2d 973, 976 (C.A. 10, 1932).

**The Courts Below Applied the Proper Law in Finding Petitioner's Slogan "Where There's Life . . . There's Bugs" to Be an Infringement of "Where There's Life . . . There's Bud", as Well as to Constitute Unfair Competition by Petitioner.**

The question presented by Petitioner to this Court in this respect is merely whether the courts below properly decided the case on the undisputed facts. In other words Petitioner is simply trying to retry the case in its entirety, although it does not point to any specific cases which are contrary to the decision of the Court of Appeals below.

The thrust of Petitioner's argument is that since the goods of Petitioner and Respondent are not in direct competition there can be no infringement or unfair competition. To support this contention Petitioner extracts various statements from Florida state law cases as well as cases from the Fifth Circuit Court of Appeals which are wholly distinguishable upon their factual background. Petitioner would have this Court believe that the courts below predicated their decisions wholly upon the "dilution" and "free ride" theory. That this is not so is clearly apparent from reading the decision of the Court of Appeals.

As the Court of Appeals stated:

> "The main thrust of the appellant's argument in this Court is that the absence of direct competition between Anheuser-Busch and Chemical Corporation of America in the sale by the former of beer and the sale by the latter of floor wax, prevents a court of equity, applying Florida law, from enjoining a deceptively similar slogan used by the latter in the sale of its products, notwithstanding the finding of the trial court that the adoption of the 'bugs' slogan

was with knowledge of the 'Bud' slogan, and that the use of the 'bugs' slogan would cause confusion in the minds of the public as to the source of the floor wax product and would damage the 'public image' of the appellee by associating in the minds of the public the idea of bugs with a food product." (Petitioner's App. 55a-56a)

The Court of Appeals then thoroughly reviewed the Florida cases upon which Petitioner predicated its argument. The Court of Appeals concluded its thorough review by stating:

"These cases make it clear that in Florida a cause of action may exist where simulation of another's name or slogan causes damage on grounds entirely separate from actual confusion between competitors as to the source of the product. For the further proposition that the concept of competition with respect to the particular product need not exist to warrant actions of this kind, see *Tampa Cigar Co., Inc.* v. *John Walker & Sons,* 5 Cir., 222 F. 2d 460 (an action brought for trademark infringement and also for unfair competition), and *Pure Foods, Inc.* v. *Minute Maid Corp.*, 5 Cir., 214 F. 2d 792, cert. denied 348 U. S. 888 (a Florida Lanham Act case).

This Court has held in *Creamette Co.* v. *Conlon, et al,* 5 Cir., 191 F. 2d 108, that 'the law of that state [Florida] applicable to claims of and protection from unfair competition are to the same effect as those prevailing in American jurisprudence generally.' Our research indicates that this is as true today as it was when that decision was written in 1951. We think, therefore, that the trial court properly construed the facts in this case as coming within the Restatement of the Law of Torts, Vol. III, Section 730, pp. 597, 598. Section 731, where it is stated:

'One's interest in a trademark or tradename came to be protected against simulation, . . .

> not only on competing goods, but on goods so related in the market to those on which the trademark or trade name is used that the good or ill repute of the one type of goods is likely to be visited upon the other. Thus one's interest in a trademark or trade name is protected against being subjected to the hazards of another's business.'" (Petitioner's App. 59a-60a)

The insidious effort by Petitioner to capitalize upon the good will and favorable impression Respondent had built up in its slogan for its products and for itself was properly characterized by the Court of Appeals as follows:

> "This is a brazen and cheap effort by the defendant below to capitalize on the good will created by the tremendous expenditure in advertising by the plaintiff." (Petitioner's App. 60a, 61a).

The Court of Appeals went on to say:

> "Finding, as we do, the liberal trend in the equity courts of the state of Florida towards the protection of trade names and slogans from unfair attacks by others, we are not reluctant to conclude that what is morally reprehensible is also legally impermissible. We conclude that the trial court was fully authorized in the entering of the final injunction against the continuing of such unfair practices by the appellant." (Petitioner's App. 61a)

Nowhere in the Court of Appeals' decision is there any use of the words or theory "free ride" or "dilution". The decisions of the courts below are clearly bottomed upon the powers of the court of equity to enjoin what is obviously an unfair business practice. As the trial court stated, "It was the basic unfairness in the commercial world of which this court took cognizance" (Pet's. App. 43a) Consequently, there is no need to delve into

the theoretical arguments of Petitioner with respect to "free ride" or "dilution" and their applicability to the laws of the State of Florida.

The myriad of immaterial propositions thrown out by Petitioner, such as that Respondent is endeavoring to monopolize "Where there's life . . . there's .....", do not apply. The question presented for the Court to determine was whether Petitioner was guilty of infringing upon Respondent's slogan "Where there's life . . . there's Bud" when it used "Where there's life . . . there's bugs" in advertising its products.

Similarly, the fact that the trial court found that Respondent was not entitled to any recompensable damages, is of no legal or material significance to the question presented herein because Respondent was fortunate enough to preliminarily enjoin Petitioner shortly after it began its advertising of the offending slogan in interstate commerce, which Petitioner threatened to use throughout the country. Petitioner's argument in this regard does not offer any special and important reason why this Court should grant a writ of certiorari. Rather, Petitioner is rearguing and reiterating the same legal theories it propounded to the two courts below.

Petitioner also mildly urges this Court that error was committed by the District Court and the Court of Appeals in enjoining the Petitioner from giving publicity or issuing press releases to this lawsuit. As the Court of Appeals stated, the trial court was merely entering an order to make effective the injunctive provisions of unfair competition and to prevent further occurrences of garbled, misleading, and erroneous statements issued to the public by Petitioner. *Gardner Sign Co.* v. *Claude Neon Lights, Inc.*, 36 F.2d 827 (D.C. Penn., 1929); *Price-Hollister Co.* v. *Warfield Corp.*, 18 F.2d 129 (D.C., N.Y., 1926).

**There Was No Error By The Court Of Appeals In Refusing To Certify Any Question To The Supreme Court of Florida.**

This four page question* presented by Petitioner is merely a belated effort and afterthought to find some ground to compel this Court to issue the writ of certiorari. This question was first presented to the Court of Appeals in its Petition for Rehearing. It had never been presented to or argued before the District Court or the Court of Appeals at the initial hearings or in briefs.

We find no argument with the fact that where there are unresolved state law questions, it may be proper to certify such questions to the Supreme Court of that state for appropriate disposition. This was done by this Court in *Clay* v. *Sun Insurance Office Limited,* 363 U.S. 207 (1960), where the case was remanded to the Florida Supreme Court to construe one of its statutes.

Similarly, the Fifth Circuit Court of Appeals in *Green* v. *American Tobacco Company,* 304 F.2d 70 (C.A. 5, 1962), certified to the Florida Supreme Court certain questions to determine whether, under the law of Florida, a manufacturer and distributor of cigarettes has absolute liability for death caused by using such cigarettes. In that case the Court stated:

> "In view of the importance of the question, and in especial consideration of the fact that one of the Judges of this Court dissented from this Court's disposition of that question on original hearing, and that the Judges of this Court, on petition for rehearing, remain of the same views as expressed in their opinions on original hearing, this Court has decided to grant the petition for rehearing to the extent necessary to certify such question or propo-

* Petitioner's Brief, pp. 40-43.

> sition of the laws of Florida to the Supreme Court of Florida, • • • (p. 86).

The Fifth Circuit Court of Appeals was fully aware of the procedure of certifying questions of import to the Supreme Court of Florida. Obviously, the present trademark and unfair competition case presented no new, novel, special, or important question which should be certified to the Florida Supreme Court for appropriate answer or disposition. As the Court of Appeals stated in *Creamette Co.* v. *Conlin et al,* 191 F.2d 108 (C.A. 5, 1951):

> "• • • the law of that State (Florida) applicable to claims of, and protection from, unfair competition are to the same effect as those prevailing in American jurisprudence generally."

Furthermore, the Court of Appeals below stated in this case:

> "Our research indicates that this is as true today as it was when that decision (*Creamette* case) was written in 1951." (Petitioner's App. 68).

Since the Court of Appeals saw no special or compelling reason to certify any question to the Supreme Court of Florida, it is submitted that this Court should not grant Petitioner's Petition for a Writ of Certiorari on this ground.

## CONCLUSION.

The present litigation is of significance only to the litigants herein. It is not of such general importance and gravity as to justify review by this Court. Petitioner's brief shows no error in the judgment sought to be reviewed. The case involves questions of fact and conclusions of law upon which the two courts below have unanimously agreed. The judgment does not conflict with the decisions of this Court or of other Courts of Appeal and there is no special or important reason for granting the writ of certiorari.

For the foregoing reasons, the Petition for a Writ of Certiorari should be denied.

Respectfully submitted,

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## CERTIFICATE OF SERVICE.

I hereby certify that a copy of the foregoing Respondent's Brief has been forwarded by mail, postage prepaid, to Julius F. Parker, Esq., Brock Building, P.O. Box 669, Tallahassee, Florida, to Houston White and to Beryl H. Weiner, 309 Grant Building, Atlanta 3, Georgia, attorneys for Petitioner, this ..... day of March, 1963.

.....

OWEN J. OOMS